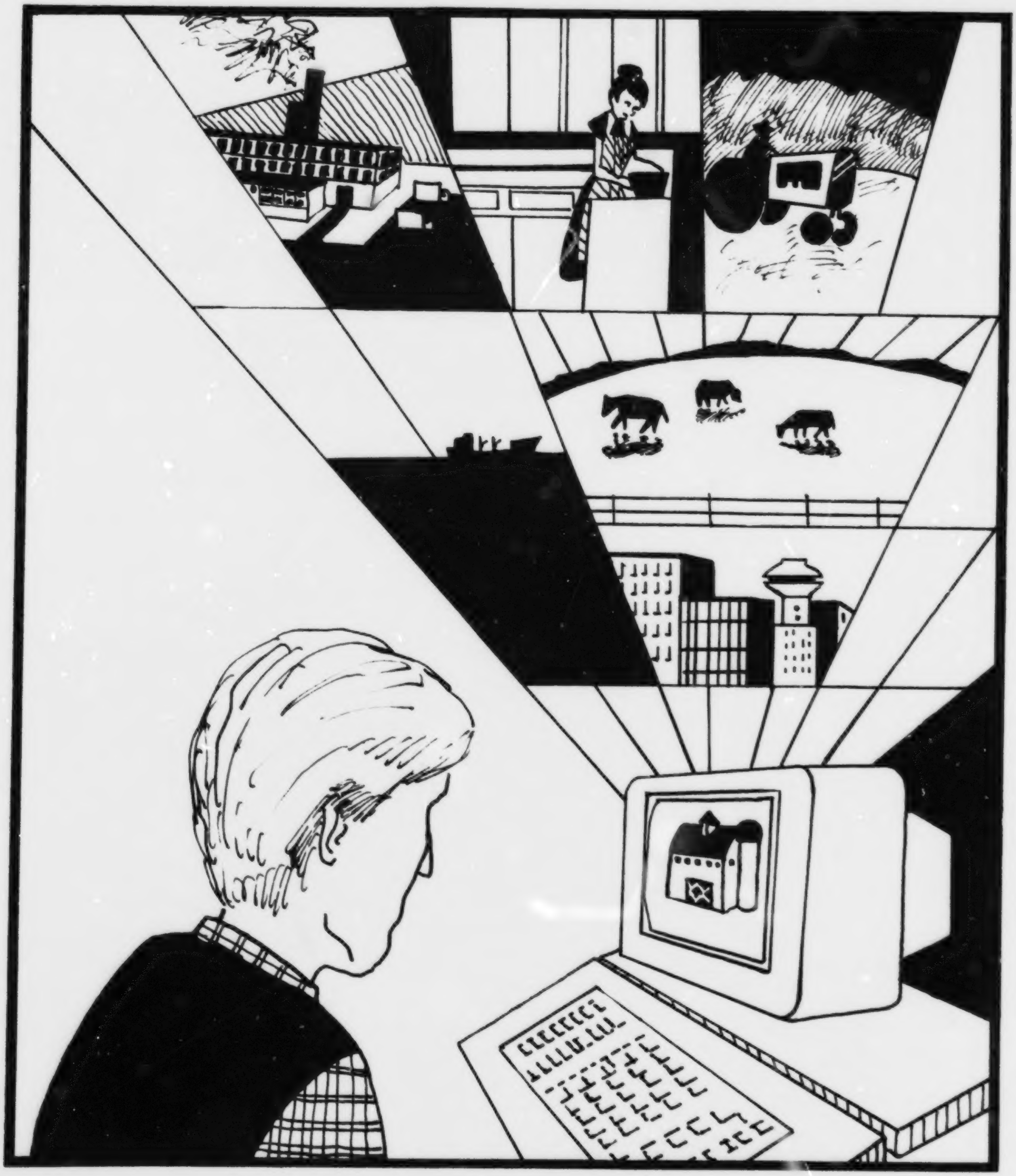
AGRICULTURE TOMORROW

Nova Scotia

VOLUNTARY PLANNING

December 1985



AGRICULTURE TOMORROW

A Strategy Paper

Agriculture Sector
Voluntary Planning Board

December 1985

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ACKNOWLEDGEMENTS

The Agriculture Sector of Voluntary Planning wishes to extend sincere appreciation to all those who contributed their expertise, advice, intuitions and time in the development of the Strategy Paper.

Without the commitment and support of these people it is unlikely the planning process would have been as successful.

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A special thank you to Paige Giles for typing numerous drafts of this paper.

EXECUTIVE SUMMARY

Agriculture has evolved from a subsistence, closed market origin to a highly integrated, high technology, multi-billion dollar, global industry. Local producers are active on the world market, and for better or worse are affected by world market conditions.

Among goods producing industries, local agriculture has been a consistent contributor to Nova Scotia in employment, incomes, and quality foodstuffs. For example:

- the index of Labour Productivity for agriculture rose by an average annual rate of 3.2% over the 1980-1983 period; commercial non-agricultural industries showed virtually no growth (.2%) over the same period (Aggregate Productivity Measures, Statistics Can. 1983);
- 1984 preliminary data shows agriculture providing 7,000 jobs (in person years) directly, with an additional 3,000 provided by related industries (Economic Analysis Section: Department of Development, 1985);
- 49% of the manufacturing and processing firms in the Annapolis Valley region are wholly dependent on local farm production for primary raw material inputs (Canada/Nova Scotia Agriculture Development Subsidiary Agreement, 1982);
- of an estimated $259 million in cash receipts for 1984, nearly all of the $209 (80.7%) million in operating expenses will re-enter the provincial economy (Agriculture Canada, Food Market Commentary, 1984);
- based on 1979 input-output figures, for every dollar increase in net farm income a total income of $3.39 occurs (includes original farm income increase);
- Canadian consumers spend only 11.8% of their personal disposable income on food prepared at home in 1984; and 3.9% was spent on meals eaten away from home. (Food Market Commentary, V.7 #3; Sept. 1985. Agriculture Canada)

The increasing aggressiveness in marketing agricultural products by countries and regions, has placed extra pressure on producers, processors, and retailers to capture the limited consumer demand. If local producers are to take advantage of market opportunities, they must be flexible in providing what the market wants — not what is convenient to produce.

To develop this needed market flexibility, producers **must have the tools** to respond to changing market opportunities. What is being requested are **not handouts or long term subsidies,** but **investments in the future;** and the public's understanding of the complexities in today's agri-food industry. The producer's long-term goal being **to obtain their total income from the market place.** In some cases, existing or needed legislation and, or regulations are restricting producers from competing and filling an identifiable market niche.

The Agriculture Sector of Voluntary Planning recognizes the need for well thought out, long-term strategies. These strategies are necessary for agriculture to reach its potential. In November 1984, the Sector completed Toward Agriculture Tomorrow: A Position Paper; an industry perspective of where it stood. This well received document has led to the development of the Strategy Paper.

The Strategy Paper has evolved from the agriculture community's concern for the development of a sustainable and long-term profitable industry. It is intended as a 'broad-base' planning tool where all commodity groups were asked to outline their future development potential, the perceived constraints to their development potential, and their development objectives in 5, 10, 15 year increments to 2000 A.D.

THE STRATEGY PAPER'S OBJECTIVES ARE:

1. To establish a 'broad-base' plan outlining suggested development strategies; possible areas of deregulation and/or regulation; and the need for region specific research and development which relevant government and industry representatives may pursue in developing a sustainable, profitable owner-operated industry.
2. To develop and promote a coordinated, cooperative process which could identify and outline those areas which may need a stimulus to improve or maintain competitiveness.
3. To provide a basis of information from which the public and government can understand why this planning is necessary in the continuation of feeding the province, and fulfilling current and future export needs.

Recommendations are based on the Sector philosophy:

It is essential to maintain, and develop a viable and competitive agriculture industry in Nova Scotia, based on local production.

This philosophy is best achieved through the family farm, defined as:

"a unit engaged in the production of food, fibre, or timber, owned or managed by a family, or partnership of families. The 'family' does not necessarily do all the labour, but is most likely responsible for controlling the financing and managing of the farm. A 'family farm' imposes stewardship of the land, it being intended for transfer from one generation of farmers to another."

This includes all forms of 'owner-operator' farms; family owned partnerships, owner-operator, cooperatives, single proprietorship — it excludes large, absentee interests or conglomerates.

Commitment to owner-operator farms would further enhance the achievement of the Sectoral philosophy through:

- the protection of agricultural land, ie: right to farm legislation;
- reasonable balance between policy (government and industry) and agricultural production;
- respect for the environment, ie.: stewardship;
- region-specific research and development, ie.: investments in the future;
- greater research in marketing, ie.: greater market responsiveness and control;
- a stable, skilled labour pool, ie.: to meet replacement and future agriculture needs.

Recommendations based on the above were categorized under: 1) Resources -- land, organization and ownership, management, labour and financial capital; 2) Marketing and Promotions; 3) Legislation and Regulations; 4) Services.

RESOURCES

Land (see page 101)

To encourage the preservation, and development and improvement, of an adequate, sustainable land base through good conservation, and land management practices for the province's future food needs.

The Sector Recommends:

- examine alternative measures, and their regional implications, to encourage idle farmland be brought back into production;
- development of a provincial agriculture land-use policy which would aid in the maintenance and management of the land base;
- region-specific research to determine the cost of increased rates of soil degradation to replace current guesstimates;
- improved public education material to make non-farm persons aware of soil conservation and other farm issues;
- strongly urge government **not** to promote extensive "expansionary" measures without accompanying market development.

Organization and Ownership (see page 102)

To maintain and develop the 'mixed' aspect of Nova Scotia's agri-food industry.

The Sector Recommends:

- the development of a local, agriculture industry computer model, allowing greater detailing and 'predictive' capabilities;
- the support by the provincial government in terms of a stated 'agriculture policy';
- financial and/or expertise support (when needed) for commodity group market research activities; including commodity group profiling;
- research alternatives for linking quota to the farm, allowing them to be sold as a unit;
- development of "right to farm" legislation limiting the conflicts occuring through urban encroachment on agricultural areas;

- examining the means for limiting importation of products when our own products are in season;
- provincial and federal support for the MFC/NSFA strategy on grain sufficiency;
- the Sector supports the notion of 'freer' trade.

Management (see page 105)

To maintain and develop the high degree of commitment, level of service, and management skills of local owner-operators, and producer organizations.

The Sector Recommends:

- continued support for 'extension services' and 'short courses' in the latest agri-business management practices, including Nova Scotia Agriculture College efforts;
- continued support for commodity groups' organizational activities;
- encourage greater producer dialogue and cooperation between and within commodity groups;
- encourage greater dialogue and cooperation between components of the agri-food business -- ie.: producers, processors, wholesalers/retailers, commercial users.

Labour (see page 106)

To ensure and develop the 'pool' of a skilled labour force responsive to the agri-food industry's needs.

The Sector Recommends:

- pressing the federal government to include farm occupations on the "Occupations of National Importance" list;
- continued provincial support in including farm occupations on Provincial Occupations of Importance list;
- development of agriculture awareness courses in school curriculums;
- continued support for 'short courses' and 'extension courses', including Nova Scotia Agriculture College efforts;

Financial Capital (see page 107)

To ensure adequate supplies of financial capital at reasonable rates, and without major delays, are available for agriculture's current and future requirements.

The Sector Recommends:

- continued support for the Nova Scotia Farm Loan Board;
- discouraging loan applications to Farm Loan Board by hobby farmers;
- greater agricultural awareness/education programs targeted to short-term farm creditors;
- the Sector supports the notion of 3rd party review in farm bankruptcy/foreclosure procedures.

MARKETING AND PROMOTIONS (see page 108)

To maintain historical markets, encourage greater market flexibility, and promote greater producer involvement in marketing and promotions, and market research.

The Sector Recommends:

- producers research alternatives for bringing production in line with markets;
- market development and research be carried out at provincial and federal levels for provincial, national and export markets;
- encourage promotional efforts of complimentary food products;
- develop a 'cross-commodity' provincial marketing and advertising campaign to promote local food and beverage products;
- increase agricultural awareness programs to raise the consumer's awareness of the type and quality of locally produced food;
- the Agriculture Sector strongly encourages government departments and government operated and/or funded institutions to buy "local".

LEGISLATION AND REGULATIONS (see page 110)

To encourage and ensure greater producer input in the legislative and regulatory process, to mitigate against negative impacts caused by existing or lacking legislation and/or regulations.

The Sector Recommends:

- development of, and producer input to, some form of "Right to Farm" legislation/regulation;

- development of, and commodity input to, some form of "Nova Scotia Cottage Winery" legislation/regulation;
- review of existing measures for returning 'idle' agriculture land into production;
- submission of an industry review of existing and needed legislation, or regulations, which restrict industry competitiveness and market flexibility, to the Provincial Coordinator of Regulations;
- producer input to deficit cutting or cost recovery policies of the provincial and federal government, to mitigate possible negative impacts on legislation/regulations affecting the industry and its components.

SERVICES (see page 112)

To maintain and develop the variety, and quality, of services which identify, and help fill, current and future agricultural needs.

The Sector Recommends:

- support for technological acceleration/transfer research and development applicable to agriculture through human resources;
- continued support, and refinement of government sponsored 'service' programs to meet the industry's requirements -- land, management, marketing technical, labour, etc.
- strong support for provincial and federal government initiatives in researching and identifying possible export, provincial and national markets;
- provincial and federal research and development efforts be more region-specific;
- strong support for greater producer input in deficit cutting/cost recovery actions, on services, before they are implemented;

- government research on how free trade would impact on the regional economy, and the local agri-food industry in particular.

These 'Strategy Areas' and their respective recommendations, reflect the Agriculture Sector members' vision of what is needed to achieve a long-term viable, local agriculture industry.

INTRODUCTION

".... a sustainable and prosperous agriculture is central to the achievement of many strongly desired objectives .... elimination of hunger and poverty .... improving equity .... boosting economic growth and industrialization .... preserving the environment." This quote from the United Nations Food and Agriculture Organization report Agriculture: Toward 2000 (1981), portrays the major role a stable agri-food industry can play in a region's, or nation's, socio-economic well being.

Nova Scotians have benefited from the strong, committed local agri-food industry both in employment and quality foodstuffs. National estimates for occupations linked to food production are 1 in 5 persons; in Nova Scotia one job in agriculture creates 2.3 jobs. The index of Labour Productivity for agriculture rose by an average annual rate of 3.2% over the 1980-1983 period; from 116 to 127.4 (1971=100). On the other hand, Commercial Non-Agriculture industries showed virtually no growth -.2% - over the same period, and stands at 110.7 in 1983 (Statistics Canada: Aggregate Productivity Measures.1983). Canadian consumers spent only 11.8% of their personal disposable income on food prepared at home (1984), and 3.9% on meals eaten away from home. The first quarter of 1985 has shown decreases to 11.6% and 3.8 respectively.

Farm operating expenses are responsible for $209 million (80.7%) reentering the provincial economy through a variety of backward and forward linkages. Furthermore, estimated 1984 cash receipts of $259 million (Handbook of Selected Agricultural statistics 1984. Agriculture Can.) generate an estimated $1 billion plus in spin-off effects.

Agriculture is no longer a subsistence industry, it has evolved into a highly productive industry operating in a global market. It is not inconceivable for local producers to be selling their product in Europe, U.S., Japan or other nations. However, as recent events within the European Economic Community (EEC) and the U.S. have shown, there is an increasingly fragile balance in food marketing. Countries, and regions within countries, are becoming more aggressive in marketing their agricultural products, attempting to maintain or capture a greater share of the limited consumer demand.

Although this increased competitiveness places extra pressure on producers, processors and retailers, the market's dynamism also indicates opportunity for growth. If local producers are to take advantage of the opportunities, they must be flexible to provide what the market wants - not what is convenient to produce.

The Agriculture Sector of Voluntary Planning recognizes the need for well thought-out, long-term strategies developed in cooperation with government representatives. To develop the needed market flexibility producers **must have the tools** to respond to changing market opportunities. What is being requested **are not handouts**, but investments in the future; and a greater public awareness of the agri-food industry. The producers' long-term goal being **to obtain their total income from the marketplace.** In some cases existing and/or needed legislation and/or regulations are restricting the producer's ability to compete, or fill an identifiable market niche. These strategies are necessary for agriculture to reach its potential and contribute maximum benefits to producers and the provincial economy.

To this end, the Agriculture Sector completed Toward Agriculture Tomorrow: A Position Paper in November 1984. This first step took place between the fall of 1983 and the summer of 1984. Each member of the sector volunteered to examine and develop a brief on one, or more, topics chosen in earlier brainstorming sessions. The briefs, together with extensive producer consultation became the basis for constraints and possible solutions in 18 topic areas. (Appendix A).

The Position Paper's objectives were:

(a) To function as a guide for the Agricultural Sector's endeavors in maintaining, improving, and strengthening the industry as a viable economic activity, yielding the farmer just returns for his efforts.

(b) To identify and promote the many benefits agriculture contributes, beyond production and profit goals, to the Province's social structure.

Towards Agriculture Tomorrow was intended as a "discussion generating brief" for: the Agriculture Sector (VP), various agricultural and commodity groups, and relevant government departments. Ultimately this has lead to phase two -the development of a long-term Strategy Paper for the future of agriculture in Nova Scotia.

Phase two began in February 1985 with the development of a 'Commodity Questionnaire' (Appendix B). All commodities were asked to outline: their future development potential, the perceived constraints to their development potential , and their development objectives, in 5, 10, 15 year increments, to 2000 A.D.

This Strategy Paper is the outcome of many hours of commitment and expertise from Sector members, Commodity Associations, individual producers, and various resource people. It is intended the recommendations herein will 'spark' a new round of cooperation between appropriate government departments/representatives and the agri-food industry representatives; in order to promote and develop an industry with long-term viability. An industry which can continue to fully contribute to the socio-economy of Nova Scotia, with appropriate returns to its participants.

BACKGROUND

Agriculture has come of age. It has evolved from its subsistence, closed market origins to a highly-integrated, high-technology, multi-billion dollar, global industry. International trade in agricultural commodities for 1983 totalled more than $270 billion - more than trade in cars and chemicals together. The Canadian agri-food system contributed a net $1.9 billion to Canada's balance of trade - a 17% improvement over 1983 (E. L. Mercaldo in Market Commentary; Dec. 1984: 48). Of the $1.1 billion in export trade for Nova Scotia, the agri-food system accounts for 42.7% or $480.8 million (38% percent being fish and marine animal trade).

The gains in dollar values can, in part, be attributed to productivity and efficiency advances in agriculture. For example, the time required to deliver a 1.5 broiler to market has been halved. It takes less than 6 months to produce a 95 kg. hog, and a good laying hen gives 250 eggs a year - 50 more than 1958 (Canadian Consumer; June 1985: 12). Productivity and efficiency are such that, although less than 5% of the Canadian population (2% in Nova Scotia) is currently involved in farming, the country is a net exporter of agriculture goods (Handbook of Selected Agriculture Statistics, 1984).

While impressive gains have been made, and participants in the agri-food industry continually attempt to improve and push their limits, constraints are appearing in the system. Particularly these are affecting a vital component - the producer.

Almost all producers, even those with little or no debt, are worse off financially now than 3 or 4 years ago. Incomes are generally lower; net farm income for Canada declined 38% from $4.7 billion in 1981 to $2.9 billion in 1983 (W. F. Lee Market Commentary; Dec. 1984: 148). Net income, as a percentage of gross income, has decreased from 38% in 1974 to 14% in 1983; while farm debt increased from $5.7 billion in 1973 to $20 billion in 1982 (L. Hehn in Market Commentary; Dec. 1984: 50).

Fortunately these trends have not been quite as severe for Nova Scotia producers; athough some commodities have been hit harder than others. This is no reason for complacency, there are too many unknown variables which could give the industry a windfall or wipeout. Investments in agriculture are predominantly investments in land which offer low and unstable current returns. With increased competitiveness from outside sources, increased protectionism in export markets, a devalued dollar and a somewhat unstable international financial situation, agriculture is a high risk investment, requiring tremendous commitment, expertise, effort and capital from its producers.

The Agriculture Sector of Voluntary Planning has perceived the need for a more coordinated, comprehensive approach if the high risks normally associated with agricultural investments are to be reduced, and current returns on producer investments are to be improved.

This Strategy Paper evolved from the Sector's concern for the development of a sustainable and long-term profitable industry to benefit all Nova Scotians. Sustainability means agricultural production where the supply of required inputs can be maintained indefinitely at current levels, and the depletion of renewable resources does not progress faster than their rate of renewal (J. A. Dyer in Canadian Farm Economics; Summer 1982. V.17 #3: 24). Furthermore, sustainability must include a commitment to ensuring agriculture production remain primarily in the hands of 'owner-operated' enterprises.

The philosophy of the Agriculture Sector affirms it is essential to maintain and develop a viable and competitive agriculture industry in Nova Scotia based on local production.

This philosophy is best achieved by: a unit engaged in the production of food, fibre, or timber, owned or managed by a family, or partnership of families. The 'family' does not necessarily do all the labour, but is most likely responsible for controlling the financing and managing of the farm. A 'family farm' imposes stewardship of the land, it being intended for transfer from one generation of farmers to another. This includes all forms of 'owner-operated' enterprises - owner-operator, family owned partnerships, cooperatives, single proprietorship - it excludes large absentee interests or conglomerates.

The commitment to owner-operator farms would further enhance the achievement of the Sectoral philsophy through:

(a) the protection of agricultural land, ie: right to farm legislation;

(b) reasonable balance between policy and agricultural production;

(c) respect for the environment, ie: stewardship;

(d) region-specific research and development;

(e) greater examination of marketing, ie: greater market responsiveness and control;

(f) an assured stable, skilled labour pool.

GIVEN THE SECTOR'S COMMITMENT TO 'OWNER-OPERATED' ENTERPRISES THE OBJECTIVES OF THE STRATEGY PAPER ARE:

(1) To establish a 'broad base' plan outlining: suggested development strategies; possible areas of deregulation and/or regulation; and the need for region specific research and development, which relevant government and industry representatives may pursue, in developing a sustainable, profitable owner-operated industry.

(2) To develop and promote a coordinated, cooperative process which could identify and outline those areas which may need a stimulus to improve or maintain competitiveness.

(3) To provide a basis of information from which the public and government can understand why this planning is necessary in the continuation of feeding the province, and fulfilling current and future export needs.

The Sector feels this approach would promote and reward producer competitiveness and enterpreneurship through the market place and not through long-term government support programs. Government and industry must seek the best way(s) to reduce the risk-taking environment under which farmers operate.

Sectoral Overview

The industry is concentrated in the more favourable multi-crop areas of Northumberland Shore, Cobequid Shore and the Annapolis Valley. Areas having significant 'limited-crop' production capability include the counties of Yarmouth, Lunenburg, Antigonish, Inverness and Cape Breton. The province is one of the few remaining agriculture areas in Canada having significant development potential.

A broad range of commodities are produced here, with dairy, poultry, livestock and horticulture being key categories. Milk, eggs and broilers registered a combined increase in receipts of 7% in 1984. Overall, livestock receipts were 7% higher leading total receipts to a 10% increase. However, total expenditures increased 5%, led by a 7% increase in commercial feed costs (P. Lys in Market Commentary; Dec. 1984: 127-128). The figure below shows the relative importance of commodities produced in Nova Scotia.

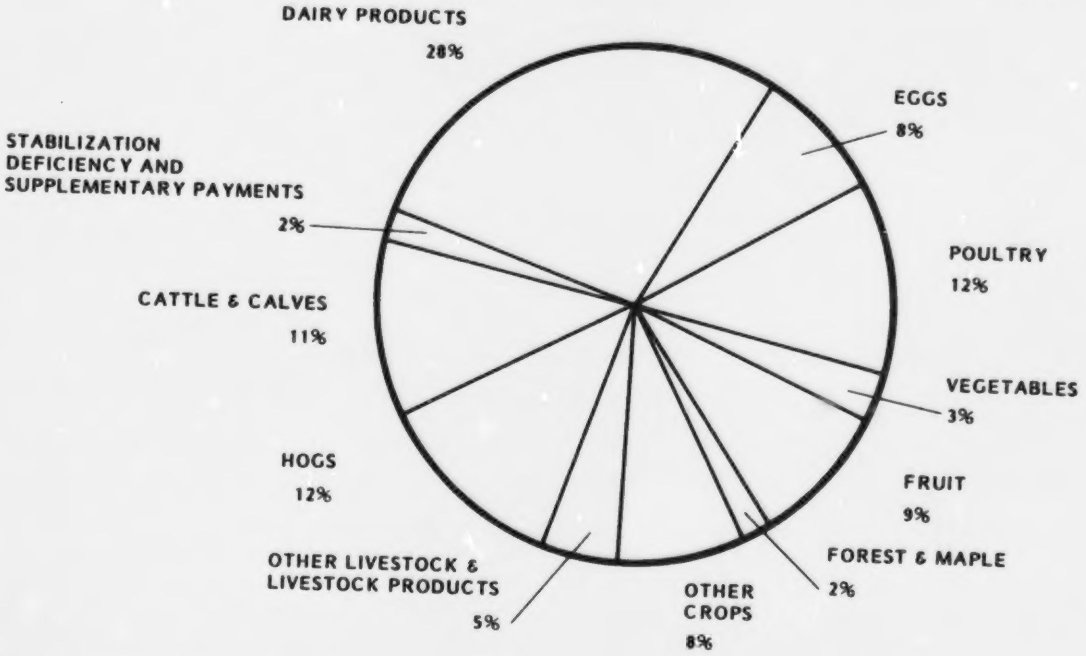


Fig. 1 Source of Farm Cash Income; Nova Scotia (1983).
(Source: Agriculture Statistics 1983; Dept. of Agriculture and Marketing)

Land Resource Base:

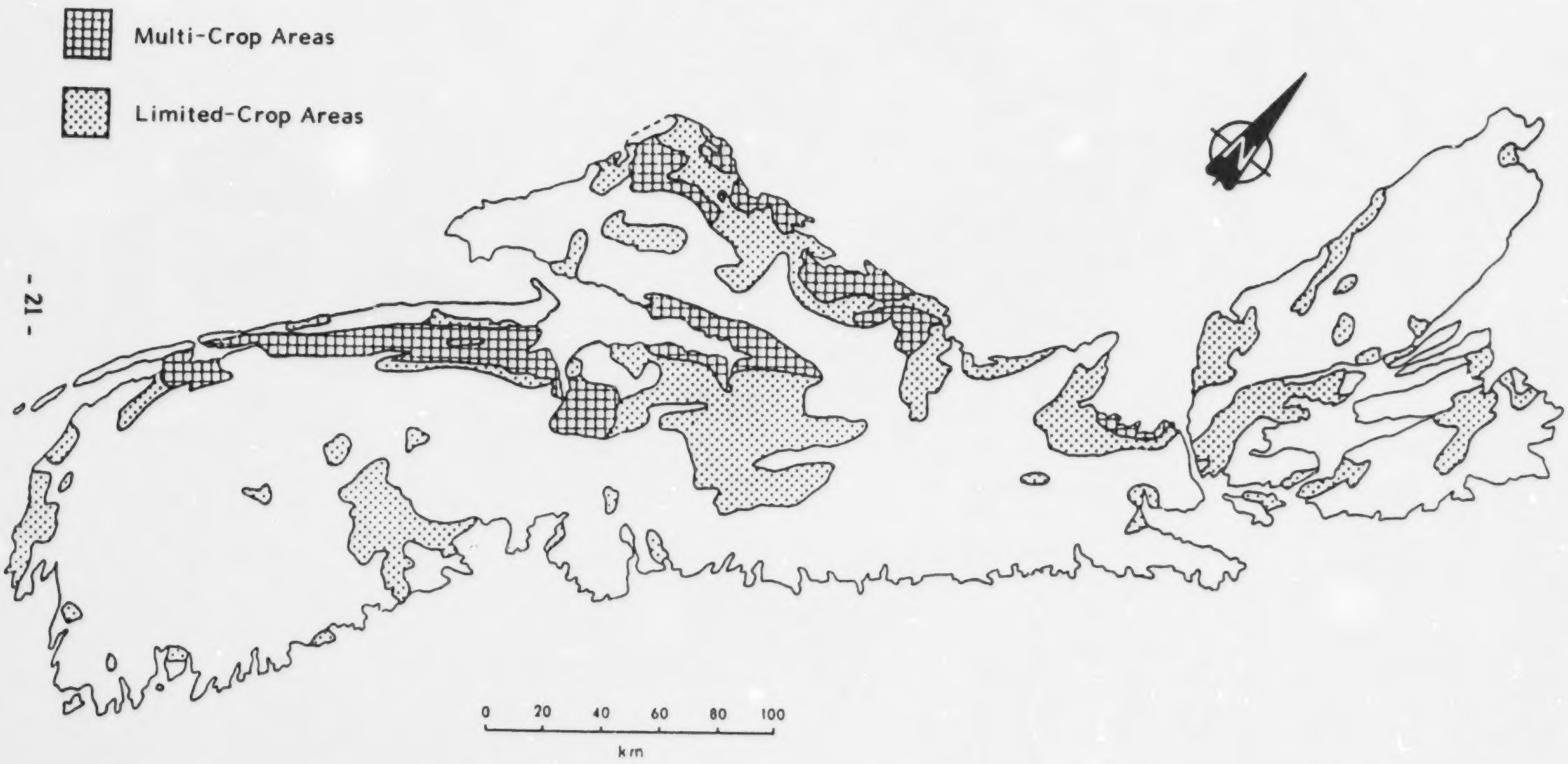
Land is one of the major inputs for a long-term sustainable agri-food industry. Generally, the land resource is a product of climate and soil quality (soil quality also being a function of climate).

Nova Scotia's land mass ranges from gently rolling to steep slopes. Soils are naturally acidic, lack natural fertility and generally have poor drainage. Also the land has relatively shallow top soil, underlain by compact subsoil (Soil at Risk; 1985:65). The climate tends to be cool and wet and is primarily responsible for the leaching of basic elements from the soil. Spring and fall are characterized by intense rainfalls affecting seeding and harvesting.

The Canada Land Inventory classifies Nova Scotia as consisting primarily of Class 2 and 3 land (needing some improvement). The Northumberland Shore, the Cobequid Shore, and the Annapolis Valley regions contain the most favourable lands and climate, and are categorized as having 'multi-crop' capability (see map pg. 11). These regions account for 95% of the Class 2 land and 80% of the Class 3 in the Province. Furthermore, only 220,000 (89,100 ha) acres, of the 930,000 (376,650 ha) acres suitable for "multi-crop" use, are being used.

Areas outside of the 'multi-crop' regions which have development potential and a significantly underutilized land base are: Antigonish, Sydney, Lunenburg and Yarmouth. While these areas may not share the same provincial economic significance as the previously mentioned regions, development in those areas could have a significant impact on local economies. All of these 'limited-crop' production areas have a local urban market, and Sydney and Yarmouth have direct market potential. Land in agricultural use in these 'limited-crop' production areas is approximately 220,000 acres (89,100 ha), well short of the estimated 1.9 million acre (773,955 ha) total (Agricultural Land Planning and Development Objectives Nova Scotia Land Use Policy Committee; unpublished).

AGRICULTURAL AREAS OF NOVA SCOTIA



Source: John D. Hilchey, Soil Capability Analysis for Agriculture: Nova Scotia, 1970.

Human Resource Base:

As previously mentioned, land is one of the key factors in a viable agriculture industry. Yet, without the commitment and entrepreneurial spirit displayed by the local producers the land resource base would simply be land - rather than a highly productive and efficient resource.

The 60's and 70's witnessed a high number of 'older' producers with lower numbers of younger producers. Figures from the 1981 farm census show increases in the under 25, 25-35, and 35-44 years age categories; still, nearly 2/3's of the producers are in the 45 and over age categories.

TABLE 1

Age of Operators (Number); Nova Scotia, 1976 and 1981

	1976	1981
Under 25 years	79	90
25 - 34	690	778
35 - 44	1,036	1,120
45 - 54	1,381	1,232
55 - 59	712	591
60 - 64	689	521
65 - 69	416	370
+ 70 years	431	343

Agriculture Canada 1984

Given high entrance costs, better opportunities in other sectors of the economy, and the more favorable equity position attained by 'older' producers, the challenge of how 'younger', new entrants may be attracted into agriculture is still to be met.

The Nova Scotia Agriculture College in Truro is an excellent educational and resource facility which could help in the development of new entrant producers. It has also helped many established producers keep abreast of new developments in the industry through a variety of extension courses, diploma and degree courses. It is a highly integral part in the continued development of a skilled and dedicated human resource base.

With current population-to-farm numbers ratio at 690 persons per commercial farm, and a conservative estimate of 712 persons/commercial farm* in 1990, it is important the province not lose the dedication of these persons if a locally produced food supply is desired.

*current number of commercial farms - 1245 - used with the projected population. Projected Population by W. Coffey; Nova Scotia Population, Household, Family Projections 1982-1991 Dept. of Development.

Employment:

A general increase in hired labour and higher farm wages has been evident since 1971. Partially responsible for this is the trend towards farm consolidation into larger units requiring more labour, and modestly higher farm incomes permitting increased wage levels. Wages to farm labour in Nova Scotia increased slightly from $27.6 million in 1983 to an estimated $29 million for 1984 (Market Commentary, Dec. 1984).

Employment in the agriculture sector has been quite stable over the past few years. It has been estimated that 1/3 of Nova Scotia's labour force is employed in an occupation linked to the agriculture food system. Agriculture and related industries are the primary source of employment and economic stability for a number of regions. In the Annapolis Valley and Kings County, 68 of the 138 (49%) manufacturing and processing firms are **wholly dependent** on local farm production for their primary raw materials input (Canada/N.S. Agriculture Development Subsidiary Agreement, 1982. Dept. of Development). Table 2 illustrates employment (in person years) provided by agriculture relative to other primary industries. Labour productivity in agriculture has risen in absolute terms since 1971 (table 3 has 1980-1985 figures). This increased labour productivity has further enabled producers to increase farm production (table 4).

TABLE 2

Employment in Nova Scotia; Primary and Related Industries
1979 - 1984 (person years)

	1980		1981		1982		1983		1984*	
	P	R	P	R	P	R	P	R	P	R
Agriculture	7,000	3,000	7,000	3,000	6,000	3,000	6,000	3,000	7,000	3,000
Fishing	7,000	7,000	8,000	6,000	8,000	6,000	9,000	6,000	8,000	7,000
Forestry	3,000	5,000	3,000	5,000	2,000	4,000	2,000	4,000	3,000	5,000
Mining[1]	5,000	1,000	5,000	1,000	6,000	1,000	6,000	1,000	7,000	1,000

P = Primary; R = Related; * = Preliminary
[1] Includes land and offshore exploration.
Source: Policy and Planning Division Nova Scotia Department of Development

TABLE 3

Index of Labour Productivity[1] (1971 = 100)

	Output Per Person Employed	
	Agriculture	Commercial Non-Agriculture
1980	116.0	110.2
1981	124.1	109.6
1982	134.2	107.5
1983	127.4	110.7
Average annual growth rate	3.2%	.2%

[1] Output Measured as real domestic product
Statistics Canada: Aggregate Productivity Measures 1983.

TABLE 4

Index of Farm Production; Nova Scotia, 1976 - 1983 (1971 = 100)

	Total Farm Production	Crop Production	Livestock Product
1976	98.6	86.5	101.7
1977	106.9	99.6	108.7
1978	111.0	108.0	111.9
1979	116.7	107.1	119.0
1980	117.7	96.6	123.0
1981	129.7	124.1	131.2
1982	133.8	131.0	134.6
1983P	135.4	141.3	134.0

P = preliminary
Agriculture Canada 1984

Farm Type:

Agriculture in Nova Scotia is "mixed", with producers probably active in more than one commodity. This "mixed" composition has allowed local producers to better weather 'soft market' conditions/prices when they occur.

Table 5 shows no overwhelming number of farms in any one size category; basically there is a mixture of farm sizes. The average size is 228 acres, but the median is estimated at a lower figure of 180 acres.

TABLE 5

Farms Classified By Size; Nova Scotia

	No.	%
Under 3 Acres	171	3.4
3 - 9	251	5.0
10 - 69	894	17.7
70 - 129	933	18.5
130 - 179	555	11.0
180 - 239	558	11.0
240 - 399	884	18.0
400 - 559	401	8.0
560 - 759	210	4.0
760 - 1,119	111	2.0
1,120 - 1,599	43	.9
1,600 Acres and Over	33	.7
TOTAL	5,045	100

1981 Census of Agriculture

The 1981 Canadian Agriculture Census estimates the improved land area to be 440,000 acres; with the majority of farms (44%) classified as having between 10 and 69 acres of improved land (Table 6).

TABLE 6

Farms Classified By Improved Land Content; Nova Scotia

Farms Reporting:	No.	%
Under 3 Acres Improved	388	7.70
3 - 9 Acres Improved	502	10.00
10 - 69	2,232	44.20
70 - 129	892	17.70
130 - 179	361	7.20
180 - 239	272	5.40
240 - 399	274	5.40
400 - 599	73	1.40
560 - 759	27	.50
760 - 1,119	17	.30
1,120 - 1,599	4	.10
1,600 Acres and Over Improved	3	.10
TOTAL	5,045	100.00

Note: Improved lands are those which needed drainage, clearing, fertilizing etc. - to be brought into or improve productivity.

Table 7 classifies farms by type of organization. The overwhelming majority (88%) of farms are classified as owner-operator organizations.

TABLE 7

Farms by Type of Organization
Canada by Province (Number) 1981

	Total Farms	Individual Operator	Partnership		Legally Constituted Company		Other Type
			Written Agreement	No Written Agreement	Family	Other	
Newfoundland	679	555	10	44	37	6	27
Prince Edward Island	3,154	2,639	168	211	119	6	11
Nova Scotia	**5,045**	**4,435(87.9%)**	**175(3.4%)**	**221(4.4%)**	**173(3.4%)**	**23(.5%)**	**18(.3%)**
New Brunswick	4,063	3,538	94	212	179	27	13
Quebec	48,144	43,946	1,696	893	1,348	194	67
Ontario	82,448	68,410	5,191	5,629	2,690	428	100
Manitoba	29,442	25,701	688	1,965	882	85	121
Saskatchewan	67,318	59,671	1,378	4,003	1,768	124	374
Alberta	58,056	50,169	1,446	3,723	2,269	190	259
British Columbia	20,012	16,715	640	1,147	1,277	164	69
Canada[b]	318,361	275,779(86.6)	11,486(3.60)	18,048(5.7)	10,742(3.4)	1,247(.4)	1,059(.3)

[b] Northwest Territories and Yukon not included
1981 Census of Agriculture

Today's farm is a modern business operation, requiring a large amount of capital and business acumen. The total capital value of farms is $897.6 million; land and buildings comprise $633.1 million, machinery and equipment $150.3 million, and livestock and poultry $114 million (Census of Canada Agriculture, 1981). Table 8 shows farms classified by their total capital value; half (51.0%) of the Province's farms have a capital value between $100,000 and $500,000 plus.

TABLE 8

Farms Classified by Total Capital Value

	No.	%
Under $10,000	73	1.4
$10,000 - 24,999	193	3.8
$25,000 - 49,999	621	12.3
$50,000 - 99,999	1,587	31.5
$100,000 - 199,999	1,298	25.7
$200,000 - 499,999	942	18.7
$500,000 and Over	333	6.6
TOTAL	5,045	100.0

Statistics Canada 1982

While the public may perceive producers as being wealthy due to the capital value of their farms, this capital outlay is a necessity. Capital refers to the total amount of funds - including long-term debt - invested in the business so it may carry out its activities. Total net income for full-time farmers was $12,262 according to 1982 taxfile information (this is an average including all commodities, there will be variations according to commodities and farm size).

TABLE 9

Total Net Income of Farm Taxfilers (on full-time farms) by Source 1976 - 1982 (dollars per tax filer); Nova Scotia

	1976	1977	1978	1979	1980	1981	1982
Farm Income	**5,217**	**5,510**	**5,102**	**7,083**	**6,660**	**6,211**	**8,129**
Total Off-Farm Income	**1,995**	**2,309**	**2,645**	**2,965**	**3,322**	**4,086**	**4,133**
Wages and Salaries	221	248	360	342	392	416	429
Off-Farm Self-Employment	-14	30	32	57	36	20	23
Rental	15	12	15	-247	24	17	21
Investment	722	822	893	1,384	1,267	1,580	1,622
Family Allowance	204	213	214	199	187	250	268
Pensions	433	562	628	704	854	955	1,035
Other Income	414	422	503	526	562	848	735
TOTAL NET INCOME	**7,212**	**7,819**	**7,747**	**10,048**	**9,982**	**10,297**	**12,262**

Source: Handbook of selected Agricultural Statistics 1984. Agriculture Canada.

In conclusion, the **overall picture** of the industry is **one of a diverse, science-driven, highly productive sector.** A sector which is marked by increasing economic concentration and increasingly close linkages to other sectors of the domestic economy. However, it also remains an industry marked by short-term and cyclical instability as a result of weather and economic policies at home and abroad.

SPECIAL INTEREST AREAS

The topics in this section have been the subject of major reports, and will have an impact on the future of agriculture. Although extensive coverage was not possible, the Sector felt it should comment briefly on: Crop Protection/Crop Production Chemicals; Free Trade; Soil Degradation; and Local Grain Production.

Crop Protection/Crop Production Chemicals

The Canadian regulatory and registration system for crop protection and crop production chemicals is of concern to producers. While producers agree stringent safeguards and public safety are of prime importance, the Canadian review time is much longer than most other developed countries. The fragmentation of the process among four reviewing departments, the time lost between departments, and the continual refinement of guidelines are key factors to be improved in future regulatory strategies.

Global competitors subject to less stringent regulations can take advantage of the most advanced protection and production chemicals, including new strains or varieties of plants; thereby making them more productive and efficient vis-a-vis our producers. This negative aspect is further exacerbated by allowing foodstuffs, containing non-Canadian registered chemicals, to be imported. For example: vegetables and fruits from the U.S., flour and bakery products from the U.S. and Europe, Danish pork, Irish beef, and European grape and dairy products.

Consumers are demanding ample, consistent supplies of high quality foodstuffs at low prices. Research and development into new varieties of plant, livestock and crop protection and production chemicals, and alternative production techniques are extremely necessary. The public must recognize these are investments in future food supplies and standards of living which benefit everyone.

In conclusion, given the nation's and province's concern with being more competitive, efficient, and productive it would seem highly logical, and desirable, to examine alternatives to the current registration process - giving producers the 'tools' they need. Local producers could be 'one' step closer to greater self sufficiency in feed grains, if they had access to new fungicides and new strains of grain.

Free Trade

Various high ranking government officials have discussed, commented or supported the notion of 'free trade'. The 'event' of free trade will undoubtedly have a profound impact on Canada's economic sectors. Producers feel this impact has not been thoroughly examined or understood with respect to its effect on agriculture. The Sector would strongly urge the provincial government to examine closely the free trade question.

'Free trade' refers to international trade without tariffs, quotas, import/export licenses or other barriers restricting the movements of goods and services. Those in favor subscribe to the doctrine of 'comparitive advantage'[1]. Free trade theoretically would lead to the most advantageous division of labour and specialization, increase the potential output of all nations, and improve everyone's standard of living. Opponents say free trade, like 'laissez-faire'[2] in domestic markets, could lead to monopoly power, and worsen rather than reduce income disparities. More importantly the political sovereignty of individual nations could be reduced.

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[1] comparitive advantage - the assumption that some countries are more efficient in producing particular goods and services than others; therefore, said countries would concentrate their resources in producing only those items, and import rest - specialization would lead to greater total production and lower costs. (Crane. A Dictionary of Canadian Economics, 1980.)

On a global scale there have been some visible efforts towards free trade: the European Economic Community (EEC), European Free Trade Association (EFTA), General Agreement on Tariffs and Trade (GATT), and various Canada - United States free trade arrangements on certain products.

Yet agricultural trade is where the rhetoric of world prosperity via free trade breaks down, and protectionism arises. On this score none of the major trading nations are pure, for example:

- the EEC has its Common Agricultural Policy (CAP) which spends nearly 2/3 of the entire budget in guaranteed high prices to often uneconomic producers. This results in food surpluses being exported well below cost -an estimated $4.6 billion will be spent on exporting food at less than cost (E. L. Mercaldo Market Commentary; Dec. 1984: 49);
- the United States, a leading proponent of free trade, is also a major offender. In the interest of protecting subsidized export foodstuffs it insisted on leniency towards government intervention in agricultural trade as an essential condition to its GATT participation. Recently the U.S. subsidized the sale of up to 1 million tonnes of wheat to Algeria; and has

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[2] laissez-faire - the belief of unrestricted private enterprise, where self interest should be allowed free rein, resulting in optimal resource allocation. (Crane. A Dictionary of Canadian Economics, 1980.)

introduced a new export incentive program offering up to $2 billion (U.S.) for export of U.S. farm products over the next 3 years (Globe and Mail; June 5, 1985). Also, tariffs have been recently levied on Canadian pork and raspberries;

- Japan uses tariffs, quotas and a complicated inspection process. Agriculture receives up to $11 billion annually in government subsidies. Also, the Japanese government's agricultural policy imposes control on farm product imports until Japan's cost of production reach the level of European countries and can be internationally competitive (MAFF Minister Shinjiro Yamamura; Spring 1984);
- Canada generally uses tariffs and quotas to limit some imports. In particular, such government monopolies as the Canadian Wheat Board and the Canadian Dairy Commission control imports to their sector and block some entirely.

There is much speculation among the U.S. and Canadian senior governments concerning the benefits of free trade between us. However, Washington's large trade deficit and loss of exports as a result of their dollar's strength has given rise to protectionist attitudes in the U.S. Congress, some sectors of business and agriculture. Furthermore, 1986 is a mid-term election year where protectionist attitudes could get worse as congressmen will be primarily occupied with strengthening domestic industry. Reciprocity laws, enabling the U.S. to apply similar rules to those nations having export rules on U.S. products, is one option considered.

It is probable free trade will have serious repercussions on Canadian farmers. For example: recently enacted American policies, to strengthen the U.S. agriculture sector, will result in heavy development in livestock. The U.S. Agriculture Department estimated a 7% increase in cattle on feedlots as of January 1, 1985; one of the key commodities in Nova Scotia's agri-food business is livestock. A large increase from the U.S. could 'bottom out' prices, thereby having a disastrous effect on local producers.

Probable budget cuts in the U.S., may remove money given to producers for not growing grain. This means there are a possible 3 million acres of prime grain-growing lands which could be brought into production. This combined with high grain reserves could easily glut the market, again bottoming out prices and affecting our own efforts in grain growing. Finally the U.S. has recently negotiated free access for its citrus products to Japan. Japanese farmers are shifting out of oranges, grapefruit and lemons into apples, cherries and berries; none of which is to Canada's export advantage.

Free trade is a difficult question to answer. There is more than just trade between Canada and the U.S. to be considered. Obviously U.S. internal policies on agriculture, and their trade arrangements with other countries will impact on the national and local industry. No amount of agreement could protect Canadian exporters from U.S. actions when they feel their interests are gravely injured (witness the ever re-defined concept of what constitutes subsidies, so that tariffs may be imposed).

In conclusion, current pressures dictate we negotiate free trade, or at least liberalized bilateral trade, in North America. However, there are many questions and areas which have to be examined thoroughly. The Sector feels discussions currently keeping options open, should not end in a final agreement which 'sells' the future of local food production. In the meantime we must undertake measures to build on our strengths and improve our competitiveness on world markets. Also, we have to be more aggressive in marketing our products, thereby protecting our interests abroad, because it is a sure bet other countries will be doing the same.

Soil Degradation

Land, one of the key elements to a sustainable agri-food industry, is in limited supply in Nova Scotia. Even productive lands have varying degrees of natural limitations, requiring more or less inputs. Still, given the present pattern of utilization, Nova Scotia is one of five regions in Canada capable of a significant land base expansion.

As encouraging as the possibilities may be, improving land to the point where benefits exceed costs requires time and money. Visions of future productive areas should not make us complacent to the point where the rate of naturally occurring 'soil degradation'[3] rises.

Soil is subject to breakdown by natural forces and has a natural rate of degradation. Fortunately soil degradation is not as large a problem here as in some of the provinces. Basically, 75% of the province's farmland is in forage and pasture, therefore resistant to increased rates of degradation. Approximately 2% of the farmland is in crop production which could contribute to soil erosion. Given this situation, the concern is primarily with the 'potential' for increased degradation due to man's activities (agricultural and other).

Major causes of soil degradation in the province are: erosion, flooding, compaction, and acidification.

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[3] soil degradation: the depletion of the soil's productive capability - Soil's at Risk; 1985: page 3.

The five general classes of soil erosion identified in Nova Scotia are:

1. Shoreline erosion: a serious matter in some areas particularly the Bay of Fundy and the Northumberland Strait. Studies have generally concluded the cost to prevent this would be several times the value of the land;
2. Stream bank erosion: occurs to a minor degree along most streams. These alluvial soils are highly prized by farmers due to their relatively high natural fertility, freedom from stones, and high productivity potential. With flood control methods these lands can be productive, the question is one of input costs versus benefits;
3. Erosion by flooding affects the same land as stream bank erosion. Flood hazards range from moderate to severe. Types of crops planted on these lands will dictate the producer's vulnerability; for example: alfalfa can resist three days (more or less) of flooding;
4. Snow-melt and rain water run-off: has its most dramatic occurences when upland soils are left unprotected over the winter. Prevalent during the spring on permeable, sandy soils;
5. Wind erosion: not very common in the province. Has been a sporadic problem to tobacco and other transplant crops on the Nictaux and Cornwallis soil series (Source: Presentation of N.S. to Standing Senate Committee).

The province has naturally compacted soils (water does not percolate through), and the use of heavy machinery on damp/wet soils (sometimes unvoidable) adds to this problem. Finally, because of the soil's natural acidity, acidification does not appear to be a major problem. With the possible advent of acid rain it is estimated another 30 to 40 lbs of lime per acre would be added to current lime requirements.

As previously mentioned, soil degradation tends to occur within tolerable levels, with some areas of greater concern. While this 'limited' degradation problem is fortunate, we must consider the future. It is imperative non-farm persons become aware of soil

conservation, and other farm issues. Since food at a reasonable cost is dependent on the soil resource, all sectors of society must have an interest in and understanding of, the impact increased rates of degradation would have.

In conclusion, in times of low commodity prices and increased pressures to improve productivity and efficiency, most farmers cannot afford to undertake untried, potentially unprofitable conservation practices. **There is a need for local research in determining the cost of increased soil degradation**; currently there are only 'guesstimates' or interpretation of data gathered in Ontario or Western Canada. Other factors which could improve agriculture's sustainability are: crop rotation; improved machinery, suitable to local conditions; research into crop varieties particularly winter hardy cereals and corresponding herbicide developments. All areas which could improve the sustainability of agricultural soils must be examined, as these are long-term investments in the province's future.

Local Grain Production

Chickens (including eggs), turkey, beef, hogs and dairy products account for $170 million (over $400 million on a Maritime basis) of the farm cash receipts in the province (Agriculture Statistics. Dept. of Agriculture and Marketing, 1983). Including processing, transportation, marketing, and retailing the final impact is closer to $1 billion ($2 billion on a Maritime basis). The feed inputs are a vital component to the economic performance of these commodities and their business linkages.

While good returns have been recorded by the livestock commodities, feed grain prices are reducing the producers' profit margin. Currently the bulk of feed materials

(66%) are imported. This represents an estimated $80 million per year, paid by the producers, leaving the region. Transporation costs alone have increased an average 22% per year from 1976 to 1980, while assistance on transporation cost remained the same. The freight subsidy covered for 60% of feed costs in 1975 - 1976, by the mid 1980's this was down to an estimated 20% (APEC Atlantic; 1985: pg. 21). The percentage of transportation costs paid for by the FFA from 1967 to 1990 is illustrated below (note the Maritime producer's eroding position).

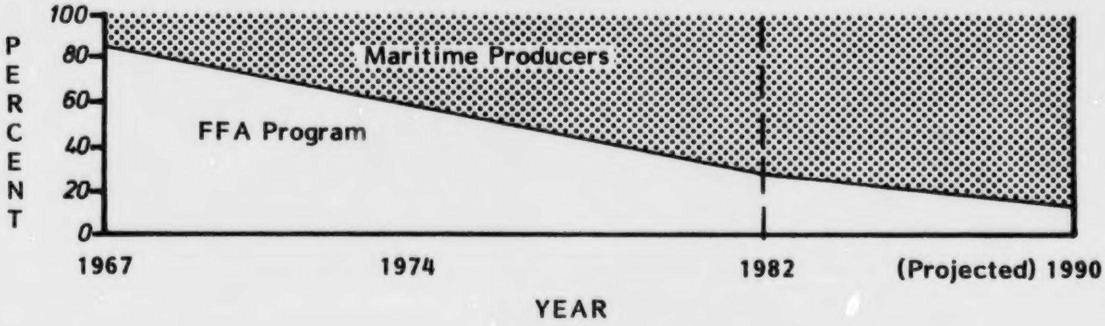

Fig. 2: Percentage of Transportation Costs covered by FFA; 1967-1990 (projected).
Source: Maritime Farmer's Council Feed Cost Equalization Program; 1984: pg. 6

Local livestock producers are in an eroding competitive position versus their Ontario and Quebec counterparts. In 1980 Ontario livestock producers paid 25% of sales for feed (up 3% from 1970), Quebec producers paid 30% (up 6% from 1970), and Maritime producers paid 40% (up 12% from 1970). This large price differential has caused some producers to grow their own feed, still grain growers in Nova Scotia supply only an estimated 1/5th of their feed supplies. There is potential for expansion, if appropriate measures are undertaken.

The Maritime Farmer's Council has a proposal which could aid the local grain growing sector, the livestock sector and improve self-sufficiency. The basic outline of the proposal calls for the Feed Freight Assistance (FFA) to be 'rolled back' to its 1976 level of assistance; this level is to hold until a high level of self-sufficiency is reached. Payments of the benefits are to occur in a system which would impact positively on local feed grain and forage production, and marketing in the region. The proposal also calls for funds to be made available for 'land improvement', and the ensurement of a Maritime meat packing industry.

In addition to the above efforts, constraints relating to the licensing of new plant varieties and crop protection/production chemicals should be revised (see p. 23). Maritime researchers have demonstrated fungal diseases can cause yield losses of 30% to 50% on various grains. Aside from the 'loss' aspect, if crop protection materials could increase grain production by 50% (currently Maritime total 300,000 tonne), at an average price of $180.00/tonne this would yield an added value of $27 million (150,000 x $180.00) on the increased grain production alone (Maritime Farmer's Council).

Other problem areas to be dealt with, as identified by the Nova Scotia Grain Marketing Board, are: Cereal Research; Proposed Federal Cost Recovery Plans on Research and Inspection; Wild Oats in Western grain shipments; the non-inclusion of feedstuffs produced and consumed on the same farm in FFA; and the Kentville Research Station's Grain Quality Laboratory.

These factors will have to be examined and resolved to the local producers' satisfaction if a viable grain growing industry is to flourish in the Maritimes.

COMMODITY PROFILES

Each commodity group actively producing in Nova Scotia was asked to respond to a commodity questionnarie. The questionnaire was designed to be **'broad based'**, allowing producers to give their perceptions of possible future development strategies in their particular commodities. It was an opportunity for persons most closely involved with production to state, from their perspective, what course(s) of action(s) should be pursued to ensure continued viability, and possible growth. It should be noted that in some cases responses were obtained on a key informant (interview) basis, whereas other commodities responded through a 'mail-back' procedure. Objectives outlined herein are commodity objectives not necessarily Sector recommendations.

The questionnaire asked commodity representatives to answer 3 general questions (see Appendix B). First they were asked to identify/comment upon any of the Position Paper's 18 topic areas (see Appendix A) which were relevant to their commodity. Secondly, areas of potential growth/expansion and the desired economic position for the year 2000 were asked to be identified. Finally, the commodity groups were asked to outline, with reference to an immediate (5 years), short-term (10 years), long-term (15 years) time framework, their objectives and the constraints to be overcome.

The following commodity organizations responded to our questionnaire, or interviews:

1) Nova Scotia Beekeepers Association (p. 49)
2) Blueberry Producers Association of Nova Scotia (p. 50)
3) Nova Scotia Cattlemen's Association (p. 52)
4) Chicken Producers Association of Nova Scotia (p. 55)
5) Cream Producers of Nova Scotia (p. 56)

6) Dairy Goat Association of Nova Scotia (p. 57)
7) Egg and Pullet Association of Nova Scotia (p. 58)
8) Fox Breeders of Nova Scotia (p. 60)
9) Grape Growers Association of Nova Scotia (p. 62)
10) Greenhouse Growers Association of Nova Scotia (p. 64)
11) Maple Producers of Nova Scotia (p. 70)
12) Nova Scotia Milk Producers Association (p. 72)
13) Nova Scotia Mink Breeders Association (p. 73)
14) Nova Scotia Fruit Growers Association (p. 75)
15) Nova Scotia Grain Marketing Board (p. 77)
16) Nova Scotia Turkey Marketing Board (p. 80)
17) Pork Producers Association of Nova Scotia (p. 83)
18) Raspberry Producers Association (p. 84)
19) Sheep Producers Association of Nova Scotia (p. 85)
20) Strawberry Growers Association of Nova Scotia (p. 88)
21) Tobacco Growers Association of Nova Scotia (p. 90)
22) Vegetable and Potato Growers Association (p. 91)

SUMMARY OF COMMODITY PROFILES

Commodity Organization	Commented on Position Papers	Areas of Potential Expansion	Constraints	Objectives of Short-Term, Intermediate Term and Long-Term
Beekeepers Honey Producers	No	Some - as grain production expands	Alberta honey importation, non-necessity item	- no timeframe - study over wintering, livestock insurance, stop roadside spraying, disease inspection service
Blueberry Producers	No	Limited in production, more in processing and expanding demand	Demand - not important food item	- no time-frame - more research, water chemicals, pest damage, packaging, promotion, new markets
Cattlemen's Association	No	Greater market access for local A-1 beef	Import quotas, boxed beef	- no timeframe - countervailing duties of 30¢ on EEC beef, promote in local market, herd quality, local feed stuffs
Chicken Producers	No specific comments - general agreement	Depends on demand	Demand	- some reference to timeframe but basically maintain historical market share, expand processing, local feed
Cream Producers	General agreement with specific comments	Limited	Not viable, hard to start, regulations	- no timeframe - target prices achieve parity with other MSQ shippers; premium for cream (does not contribute to milk surplus), graduated entry with size limits
Dairy Goat	No	Limited	Potential consumer's image of goats, relative newness	- no timeframe - increase promotional activities, public awareness, upgrade stock
Egg and Pullet	General support with specific comments	Limited, some new products in medical fields, cholesterol reduced egg	Some comments made on industry	- Continued cost recovery plus adequate investment return; responsive to market tastes
Fox Producers	General support with specific comments	Related to world demand for a luxury item	World cyclical market	- no timeframe - research better pelts, improved farm management, consumer education

Commodity Organization	Commented on Position Papers	Areas of Potential Expansion	Constraints	Objectives of Short-Term, Intermediate Term and Long-Term
Fruit Growers	Questionnaire not completed. Information was obtained from study.	Market niches	Panic fall sales, grower individualism. Market information inadequate, weak negotiation ability of growers, imports of subsidized concentrates	- no timeframe - improved grading, improved storage, capital injections, market information, producer involvement with processor, improved communication with processors, market research
Grain Marketing Board	No	Double grain production (40% self-sufficiency)	Producer adaption to ICM, lack of licensed suitable varieties, lack of fungicides, lack of equipment, relevant local	- no timeframe - consistent quality and quantity, buyers confidence, discourage price undercutting, pooled prices, ICM research, phase down FFA when self-sufficiency increases
Greenhouse Growers				
a) Ornamentals	No	Some local, some Maritimes, some U.S. (slow but steady)	Imported products exchange rates	- no timeframe - (all the same) slow growth, more increased productivity and less greenhouse expansion
b) Vegetable	General support (response on each) with specific comments	Slow growth	Consumers tastes, marketing costs, price wars, import specials, surplus disposal by central Canada, advertising funds, improved technology needed market research	- immediate - increase lettuce market 4 times, increase tomatoes 50%, seedless cucumbers 30%, market survey, consumer education, technological advances
Maple Producers	No	Potential because of undersupply	Capital requirements to start	- short-term - independent of government - no timeframe - improved silviculture practices, improved technology to make cheaper syrup, control gypsy moth, promote tree planting, improved labelling for "pure" maple in U.S.
Milk Producers	No	Limited, linked to supply management	Entrance costs, but ok as long as receive adequate prices	- immediate - market stability feed supply, viable prices, forage

Commodity Organization	Commented on Position Papers	Areas of Potential Expansion	Constraints	Objectives of Short-Term, Intermediate Term and Long-Term
Mink Producers	No	Moderate expansion	World Market with volatility	- short-term - land use planning (to transfer land between generations), farmer-consumer relations. - long-term - reduce production costs, government support for technology development, improved management - no timeframe - public education, short courses on production, more labour, improved stock, veterinary research
Pork Producers	General support except reference to negative effects of grants in first paper	Expansion of processing. Possible reduction in production	Amount of time federal government requires to make decisions and government officials promoting production shift to areas of least cost	- no timeframe - cost of production equivalent across Canada, reduce variability of feed costs between provinces
Raspberry Producers	No	Limited	Berry itself, birds, market fragmentation, price undercutting	- no timeframe - need to improve marketing/promotions
Sheep Producers	No	Possibly moderate	Predators, amount of time provincial government decisions require	- no timeframe - develop compensation program for kills, encourage winter lambing, strengthen market position, become self-funding, increase promotional efforts, extend Agriculture & Marketing coverage for fencing
Strawberry Producers	General support	NIL unless market developed	Need more ways of using strawberries	- immediate - reduce imported strawberries - long-term - mechanized harvesting system

Commodity Organization	Commented on Position Papers	Areas of Potential Expansion	Constraints	Objectives of Short-Term, Intermediate Term and Long-Term
Tobacco Growers	No	Unlikely	Health concerns, taxes, cheap imported tobacco	- no timeframe - plans uncertain diversify, plan reductions to meet demand, interest in forming national marketing board
Turkey Board	General support	Substantial	Currently supply only 40% of local market, CIMA agreement	- Own timeframe - supply 80% of local market, gain some exports, broaden producer 'base'
Vegetable and Potato Growers				
a) Potato Marketing Board	No	Limited except some expansion in early potato market	World prices less than market costs for seed potatoes 3 out of 4 years. Processing depends on action of the processor.	- immediate - supply N.S. with seed, table potato and processed potato. Reinstate Royal Commission, remove #2 grade from local market. Also change rules which allow PEI to sell seed in Canada at world prices - short and long-term - work toward profitable export position
b) Vegetable	No	Some linked to market	Fragmented marketing, undercutting prices, gluts, independent spirit of producers	- no timeframe - greater accounting coordination of marketing, consumer education/awareness, examine greater use of cold storage
Grape Growers (Wine)	General agreement with specific comments	Great potential vineyards and cottage wineries	Need licensing to sell off premises. Change laws to allow cottage wineries to sell wholesale to retail. Local climate constraints.	- immediate - research cultivars, license cottage wineries for off premises sales; training new producers, import cuttings - short-term - develop local export markets, plan quarantine station - long-term - continue grape breeding, have proper chemicals, better pest control, develop markets

Nova Scotia Beekeepers Association

Nova Scotia has approximately 690 beekeepers producing an estimated 560,000 pounds of honey; the total value of the beekeeping industry was $5.5 million for 1985.

There were no comments on the Position Paper topics. Honey production or beekeeping is generally associated with other farming operations. It is primarily a 'sideline' industry, with much of the honey produced being marketed and sold by producers directly to consumers, or handled by Scotian Gold.

Aside from producing honey, bees play an important role in pollinating fruit trees, grains, vegetable plants. In many instances beekeepers will rent their bees during the pollen season. Another change in the beekeeping industry is the amount of bees 'wintered'. More beekeepers are winter hibernating their bees (in fridges or in the field), which reduces the number of bees that need to be imported.

The commodity has some potential for expansion; particularly if Nova Scotia becomes more self-reliant in grain production - canola, rapeseed or soybean for example. However, it is likely beekeeping and honey production will remain a "sideline" or hobby activity. Constraining this potential for expansion is that honey is basically a non-necessity food item. The marketing and selling of honey is a definite challenge for the future. Another constraint is the importation of 'western' honey - Albertan primarily. Alberta has some natural advantages - better bee pastures and good weather -which translate into higher yields per colony and less cost to produce.

The desired economic position for the year 2000 is to remain a viable industry, and receive a fair return on the cost of production. Furthermore, it would be desirable to substitute honey being 'dumped' here with locally produced honey. Finally, it would also be desirable to have a 'stable' Nova Scotian stock of bees, if feasable, through better wintering techniques and the raising of queens.

Objectives:

Although no time frame was indicated some of the commodity's objectives are:

- seek assistance for studying overwintering techniques to reduce replacement costs and develop a 'stable' stock;
- attempt to have bees covered under livestock insurance;
- attempt to have 'roadside' spraying against weeds stopped - these areas would add to bee pasture areas and some of the 'weeds' are useful;
- obtain a summer student program aimed at disease inspection/control.

Blueberry Producers Association of Nova Scotia

The 1984 crop of 15.5 million pounds was the second largest crop ever; however, blueberry inventory buildups have had a downward effect on prices. The 1985 outlook was one of improvement given current sales, new blueberry products, and new packaging. Also the development of a fresh seasonal low-bush trade should aid sales.

No comments concerning Position Paper topics. Nova Scotia's major competition in blueberries is Maine, Quebec, New Brunswick, Prince Edward Island, and Newfoundland. There is also competition in the varieties grown; Nova Scotia has predominantly "low-bush" versus the "high-bush" or cultivated variety. Although the low-bush berry is more flavorful and has a better sugar content, the high-bush berry is able to compete because it is cheaper to grow. In spite of the competition, producers from all regions meet once a year through their national organization and discuss the latest research and development activities.

Currently, the local blueberry industry is working hard on promotions and marketing, in an attempt to reduce the reliance on any one market or product. This includes examining and entering new export markets, developing new products, and developing/improving packaging to appeal to a wider variety of people. Also, producers are trying to become more efficient and competitive through research and development in reducing field preparation (production) costs. Two promising areas are:

(1) flail mowing - more efficient than burning but currently requires fairly smooth ground. Could reduce costs from an estimated $85.00 - $100.00 per acre to an estimated $25.00 per acre;

(2) New "burner-head" - a "nozzle" which could reduce fuel consumption to 10 gallons per hour.

There has also been research in mechanizing the harvesting procedure which could play a large role in cutting costs.

The commodity's expansion potential is directly linked to demand, which in turn is limited by blueberries being a non-priority on the food bill. While expansion in the production side may be limited, there does appear to be a greater potential for expansion in the manufacturing, processing, and marketing side of the industry.

The commodity's desired economic position for the year 2000 is to be in a relatively stable, viable environment. Heavy reliance on any one market should be reduced to prevent major peaks and valleys in sales (such as the potentially disastrous situation experienced earlier this year with the EEC).

Objectives:

Although no time frame was given, some of the commodity's objectives are:

- ongoing research to improve efficiency and competitiveness through reducing production and harvesting costs;
- work towards being able to obtain necessary crop protection chemicals within reasonable time periods - "blight" a problem due to damp spring weather;
- seek better methods for controlling damage to crops by vertebrate animals;
- continue developing new products and packaging to appeal to a greater section of the population;
- continued promotional efforts on an industry-wide and local basis;
- establish new export markets where feasible.

Nova Scotia Cattlemen's Association

Cattle prices had shown some improvement, but ended slightly lower for 1985. The over 1,300 beef producers have a challenge to meet Nova Scotia's one half million pounds per week consumption rate. Currently, only about 25% of the beef consumed is locally produced.

There were no comments relating to topics in the Position Paper. Generally, local beef production is part of a "mixed-farm" operation, particularly where by-products may be utilized as feed, or fields are too rough for crops.

One of the major concerns for local and national cattlemen has been the raising of import quotas for EEC cow beef. This EEC cow beef is composed of subsidized "manufacturing meat" obtained from culling their dairy herds. While manufacturing meat (meat used in hamburger, salami, bologna, etc.) does not impact directly on A-1 beef, it does have a general depressing effect on prices. With a 30¢ per pound subsidy on EEC beef, it depresses the price of Canadian meat by 5¢ per pound (Canadian Cattlemen's Association). Aside from EEC beef, beef from Quebec and Western Canada are also negatively impacting local producers. 'Fair' trade must be practiced interprovincially as well as internationally.

With the lower prices, there had been higher instances of herd liquidation. For several months, the sex ratio present on the markets had been close to 150 heifers for 100 steer (130 to 100 yearly), where normal ratios are closer to 85 for every 100. It is estimated that one job is lost for every twelve cows lost in the national herd; 1985 had a potential loss of 16,600 jobs (Canadian Cattlemen's Association Press Release; June 18, 1985).

The potential for expansion appears to be linked to gaining greater market access for local A-1 beef. The recently enacted provincial inspection system should help local beef products gain entry to local chain stores. Furthermore, innovative marketing/retailing businesses such as Canadian Dress Meats, who contract to supply meat to families, help create modest expansion opportunities. Local producers of quality beef are being constrained to some degree by the influx of "boxed" beef from the west. **In spite of the standardized grading system consumers still perceive A-1 western beef as better than A-1 eastern; stores capitalize on this through advertisements.**

The commodity's desired economic position for the year 2000 would be one of more stable economic returns on the cost of production. Also, greater consumer acceptance of local quality beef, which translates into supplying a greater percentage of locally consumed beef, is desirable.

Objectives:

Although no time frame was given, the following are some of the current objectives of the Association:

- together with the national organization, place a countervailing duty on EEC cow beef equal to the 30¢ per pound subsidy;
- continue promotional efforts (Beef Buggy for example) to gain greater access to local markets;
- maintain and improve herd quality;
- seek more ways for using local resources in raising beef; try to reduce dependence on costly feed imports;
- targeting local beef production to supplying 50% of local consumption sometime in the future.

Some of the constraints experienced are: beef imports from the EEC and the west; consumers', wholesalers', and retailers' perceptions of A-1 west being better than A-1 east; the cost involved in raising livestock to market readiness; and the current practice by local slaughtering plants to wait for producers to ask when livestock may be brought in for processing. It would be preferable if the plants had their buyers out contacting producers. Finally, there is some feeling the decision to build a slaughter plant on Prince Edward Island could negatively impact on plants currently operating.

Chicken Producers Association of Nova Scotia

Demand for chicken and/or chicken products raised 1984 consumption levels 7% over 1983, with strong markets responsible for national chicken quotas being increased for 1985. Part of this market growth is accounted for by the fast food trade, and processed chicken sold for home consumption.

The Association had no specific comments concerning the 18 topics in "Towards Agriculture Tomorrow: A Position Paper", but were in general agreement with the concerns presented therein.

Expansion for the commodity is directly dependent on demand. As previously mentioned, current demand and consumption has risen due to innovative products from the processing industry as well as "health" conscious consumers. The Association's desired economic position for the year 2000 is one of continued viability, where producers can receive an adequate return for investment and labour.

Objectives:

Five years - immediate

- improve the commodity's competitive position by emphasizing competitive food prices;
- maintain their "historical" market share;
- further expand the processing industry.

Ten years - short term

- improve the competitiveness of local feed supply vis-a-vis western supplies;
- improve viability through competitive feed prices, or through alternative sources of feed and different feed ingredients;
- maintain "historical" market share;
- further expand the processing industry - provide consumers with innovative products, packaging marketing.

Fifteen years - long term

- same as ten.

Cream Producers of Nova Scotia

As of July 1984, just under 200 cream producers shipped cream to three plants - Brookfield Foods Ltd., Amherst; Scotsburn; and Tatamagouche Creameries. Dollar value for cream shipped in 1983 was 1.01 million dollars.

The producers gave general approval to the 18 topics in the Position Paper, with the following specific comments. The Association is concerned about:

- cream farm operations not being able to support the farm entirely on cream earnings; income from sources other than cream are necessary, e.g., mixed farming - vegetables and cream;
- difficulties in starting/entering in cream farming and, related to this, limits on quota any one person can hold;

- problems associated with full-time producers versus part-time (or various levels in between);
- difficulties arising between big operators and small operators coming from possible future inspection regulations.

Opportunities for expansion are very limited given the supply management nature of this commodity. Expansion is entirely dependent on National Market Share Quota (MSQ) and therefore dependent on Nova Scotia obtaining a greater allocation of quota.

The Association's desired economic position for the year 2000 is to obtain full target return prices - thereby receiving an adequate living for a family unit, and to remain a viable industry. Furthermore, it was felt that cream shippers should be on a parity basis with other MSQ industrial shippers, so far as payment and income is concerned. Finally, since cream producers do not contribute to the skim milk surplus problem, they should receive a premium.

Objectives:

While no time frame was given, the producers would like to achieve "graduated entry", together with limits on size, as a future goal for their commodity.

Dairy Goat Association of Nova Scotia

The Association has approximately 50 to 60 members, although there is a larger active interest. The Association has been quite active in upgrading the quality of goats, and hence goat's milk, through such programs as DHAS and ROP.

The dairy goat sector is not very large, with much of the milk sold being 'direct' off-farm, or through health food stores. Goat milk sales are largely through word of mouth and center around the health food trade, and the 'cow milk allergy' trade.

Currently, there are no regulations/guidelines specific to goats, however producers generally conform to the cow dairy standards. These standards would be prohibitively expensive to follow if an attempt at large commercialization of goat milk were to be made.

One of the Association's biggest constraints is the potential consumers image problem with respect to goats. Most consumers do not realize 'dairy' goats are 'specially bred' for the production of milk, and are highly efficient converters of food energy. The majority of the breeds found locally are either Swiss or German in origin. Another of the Association's constraints is its relative newness and the "hobby" nature of the enterprise. Generally, persons began dairy goat herding as a sideline interest and for their own home use. Much of the sales are incidental, with few producers actively seeking markets.

The Association's plan for the future center around increased promotional activities to increase public awareness, and the continued upgrading of local dairy goat stock.

Egg and Pullet Association of Nova Scotia

Table egg gradings were down 4.8% across the Province, totaling 13.98 million dozen. This should result in a more manageable egg surplus to replacement volume, alleviating the 5% cut in quota due to surplus. Quota increases could occur by midsummer.

There was general support for the Position Paper's topics, with the following specific comments:

(1) Family Farm - agree the family farm is important; they consist of producer/graders and are directly responsible to consumers;

(2) Succession of Farm Unit - egg production becoming intensive; 45 producers supply the Province;

(3) Security of Farm Unit and Community - an even provincial distribution system would help ensure product freshness;

(4) Food Philosophy in Canada - Canada's egg needs are met through a supply management system;

(5) Farm Organizations - egg producers have a good umbrella organization. Supply-management system suffers a little from regional disparities of input prices, but greater local self-sufficiency in feed production could close the gap;

(8) Achievement of Greater Market Potential - have to meet consumers' needs through new product development, for example, low cholesterol egg, new processed products;

(9) Land Use - poultry farmers are in a good position to produce more feed grains as new seed varieties and crop protection chemicals are approved; also can use poultry by-products as manure fertilizer;

(11) Financing - have to ensure basic function of Nova Scotia Farm Loan Board is maintained; have to be careful services are not abused;

(13) Marketing and Promotions - future promotion schemes should be addressed at the local level (Nova Scotia); have to be careful to avoid "splintering effect" in marketplace;

(17) Energy - reduce petroleum products taxation; increase development and modifications for wood fibre heating systems, heat pumps, and heat exchangers. Have to adapt systems to present and new livestock buildings;

(18) Transportation - certain costs in transportation have doubled due to fuel and equipment costs. Pickup and delivery of eggs and most other farm products becoming "impossible" beyond a limited point - this distance is getting shorter due to costs.

The potential for expansion in the egg industry is limited because of its supply management nature. However, demand may increase production through:

- new processed egg products in food or medical fields;
- developing a cholesterol reduced egg; currently costs are prohibitive for commercial production.

Basically, the industry will have to be responsive to market demands/tastes.

Although no time-frame or objectives were specified the commodity's desired economic position for the year 2000 is one of continuing recovery of cost of production, plus an adequate return on investment. Currently, the egg producers are on a cost of production formula which makes pricing reasonable; however, an increase in sales is needed to keep abreast of efficiency increases. If sales do not keep up with production, flocks must be reduced, creating partially empty barns which become very expensive due to fixed costs.

Fox Breeders of Nova Scotia

An estimated 5,000 pelts were produced in the 1983-1984 pelting season - some of the finest in the world. This generated over $1,000,000 in gross sales for the nearly 200 fox producers, making Nova Scotia the third largest fox producing province.

There was general support for the 18 Position Paper topics, but the Association felt the fox sector was different in some areas the paper did not cover. For example, the fox industry is a luxury item sold on the world market, affected by fashion trends, "taste"/preferences, and fluctuating exchange rates. Producers have little control over the "demand" side of the commodity.

Potential expansion is difficult to predict given the factors involved when dealing on a world market. The fur sector has a self-regulating cycle of increasing prices, coupled with short-term expansion potential, up to a saturation point and eventual price decline and stock reduction. What fox breeders, as an industry, must ensure is a quality product which can endure the downward price cycle.

The desired economic position for the year 2000 is to have a stable industry supplying a quality fur pelt in the most efficient, competitive manner.

Objectives:

Given the nature of the fur cycle, the Association stated its objectives in more general terms than the 5, 10, and 15 year time periods:

- research into areas improving efficiency and maintaining quality pelts;
- examine and develop methods for improving uniformity of ranch management practices and product produced;
- need to undertake consumer education efforts to counteract allegations from anti-fur and animal rights movements;
- research into the application of technology advancements to the fox/fur industry.

Grape Growers Association of Nova Scotia

Cottage wineries in Nova Scotia are relatively new. Locally grown and produced wines are currently stocked at Nova Scotia Liquor Commission retail outlets.

The producers generally agreed with all the Position paper topics, except for Topics 16, 17, and 18 where no comments were made. Specific comments were made on:

Topic 1 - The Family Farm: It is felt small, well managed vineyards may improve the "optimum" mix of operations on some farms.

Topic 8 - Achievement of Greater Market Potential: A market concern of local producers are federal and/or provincial government incentive grants to permit the establishment of **"outside"** wine bottling plants in Nova Scotia. The Association would like to see government consult with local producers concerning plans for additional wine bottling plants making applications to establish here. Producers feel development of **additional Nova Scotian vineyards**, the enlargement of existing cottage wineries, and the possible development of new estate wineries would contribute much more to Nova Scotia's economy, than establishing wine bottling plants using imported concentrates.

Topic 13 - Marketing and Promotions: Increased benefits, accruing to producers and the Province, would be possible if the sale of wine products were allowed at "licensed" cottage wineries. Also, licensed cottage wineries can be associated with tourist promotions. Thereby providing an "attraction" to a region, yielding spill-over benefits to other local products. Other wine growing regions, Canadian and American, which allow cottage wineries to sell their own product on premises, report 90% to 95% of their sales from this market. Also, these other wine growing regions distinguish in their licensing systems between cottage wineries and commercial wineries. Here, cottage wineries pay the same licensing fee as commercial wineries -$500 for the first year and $1,000 thereafter. This lack of distinction only makes it harder for Nova Scotia cottage wineries to compete.

The Association perceives a great potential for expansion and development in vineyards and cottage wineries in both domestic and export markets. Their perception is based upon cottage winery development in British Columbia, Ontario, many U.S. areas, and other countries. Generally, three factors provide further basis for expansion potential:

- the possible licensing of cottage wineries to sell off-premises could develop into tourist attractions, which could assist both market development and expansion potentials;
- allowing cottage wineries to "wholesale" directly to licensed eating establishments (while still paying applicable taxes) would offer continuous supply and large market opportunities for producers;
- the resource base for this growth potential may be covered by current operations wishing to expand or other farms having proper soils and location entering production.

The desired economic position for the year 2000 is to supply the majority share of local wine consumption. It is also desired to have 400 hectares (ha) of grapes in production, up from current estimates of 150. Finally, it would be desirable to have **at least five** cottage wineries catering to tour groups, with production at 4 million litres of wine (4,800 tonnes).

Objectives:

Five years - immediate

- identify suitable cultivars at Kentville and identify suitable sites;
- license cottage wineries to sell wine off-premises;

- continue training programs for new and existing grape growers;
- import cuttings of winter hardy varieties from world-wide areas;
- request a plant quarantine station to be established at Kentville by the Federal government (continue for 10 and 15 years, until achieved).

Ten years - short term

- continue portion of five-year objectives, particularly identifying cultivars and continuing training programs;
- develop local and export markets.

Fifteen years - long term

- continuation of 1983 grape breeding program at Kentville;
- ensure the proper crop protection chemicals are available to grape growers;
- develop better vertebrate pest control measures;
- continue developing local and export markets;

Constraints are possible federal fiscal constraints, legislation, regulations, and expenses associated with possible changes, competition and bureaucratic restraints, local climate, government approval on licensing, lengthy procedure in obtaining imported stock, possible vocational funding cutbacks, and competition.

Greenhouse Growers Association of Nova Scotia

The greenhouse industry in Nova Scotia is involved in producing ornamentals (flowers, trees, shrubs) and/or vegetables (tomatoes, seedless cucumbers, and some lettuce). The industry continues to increase their efficiency through energy and labour saving technology. Although responses have been divided into ornamental and vegetable categories, objectives concerning research and development, the application of technology, and methods for cutting energy requirements are applicable across the industry.

Ornamentals

No comments concerning Position Paper topics were made. There is some room for development in the Nova Scotia market, as well as exporting to other Maritime Provinces. Some development potential exists in exporting products to North Eastern U.S., particularly if the dollar stays favourable to exporters. However, a lack of confidence in the dollar's status could be preventing the development of this market. Overall, the growth for greenhouse operations is seen to be slow but steady.

Greenhouse operators would like to see their industry continue its progress towards more efficient production methods, and the use of more economical forms of energy. Continued improvements in productivity, quality and overall cost control will help ensure the greenhouse industry's viability by the year 2000.

Objectives:

Although the following were set in a 15 year, long-term time frame they are also applicable to the 5 (immediate) and 10 year (short-term) time frames.

- slow but steady growth;

- volume of greenhouse production slow; an average annual rate of 3 to 4%. This increase will be more due to greater productivity per square foot of greenhouse space, than large increases in greenhouse construction.

Constraints to annual rate of increase are seen as: growth of imported products; the rate of development and marketing of better cultivars and production technology will affect the industry's development; and the currency exchange fluctuations, specifically $Cdn./$U.S. The current relationship offers some protection and some export opportunities to Canadian growers.

Vegetable

There was general support for all Position Paper topics, with specific comments on each.

(1) Family Farm - owner/operator aspect desirable, all of Nova Scotia vegetable grower members are owner/operator with one exception: incorporated operations with the operator(s) as controlling shareholders;

(2) Succession of Farm Unit - an important area of concern where survival of smaller operations frequently involve sales to 'outside' persons with management skills and/or ambitions. This is less of a problem for well managed, commercially viable operators, than for part-time operations depending on one enthusiastic grower;

(3) Security of the Farm Unit and Community - greenhouse vegetable production has as much or more spin-off for community economic gain as other viable agriculture units. With the increasing use of renewable energy, conservation, and solar and biomass energy, the economic spin-off is enhanced;

(4) Food Philosophy in Canada - subsidized, cheap food policies means marketing problems and less income for greenhouse producers as for most other producers.

Home grown vegetables contribute to local employment, imports are an economic burden. Also fresh, quality produce deserves a premium price, returning a much higher price to producers;

(5) Farm Organizations - the Association was organized 40 years ago as an exchange forum for information and common concerns. Today it employs a part-time Secretary/Manager, includes 90% of commercial greenhouse area, and its activities include advertising and group purchasing;

(6) Farm Management - greenhouse vegetable management is a relatively labour-intensive industry, with some automation in harvesting. Contact with crops diminished when automation introduced. An important phase of both production and management is crop scheduling for continuity of supply;

(7) Farmer Operated Business Organizations - presently this Association is the only overall business organization in the farm sector. There is some sense of need for more business organizations to coordinate marketing, pricing and delivery of product; as well as, uniform grading and general sales promotion;

(8) Achievement of Greater Market Potential - some greater market potential can be achieved through a gradual increase in production and some diversification. Make consumer aware of homegrown quality, flavour and economic advantages of locally grown produce. Discrete, honest, practical advertising backed by quality produce will help achieve greater market potential;

(9) & (10) Land Use/Land Improvement - the high productivity/acre ratio makes greenhouse horticulture less demanding on land. The increased use of hydroponic growing makes location of production less land-sensitive; however, there is a limit to the variety of products deemed viable;

(11) Financing - it is extremely difficult to obtain long-term financing for greenhouse construction and/or plant improvement. There is some assistance - 40% of cost - available for certain improvements of regular greenhouse facilities. Generally, long-term financing is not as readily available for greenhouse horticulture as for general agriculture. Such financing would be desirable as it could help assure continued viability for succession of operations, and facilitate sales of established and successful enterprises. Finally, in the past the Farm Loan Board had financed some operations which ended in

bankruptcy; there has been some reluctance since then to support expansion of enterprises, eventhough proven viable;

(12) Grant Program - as with other producers, taxation issues are of concern to greenhouse growers also. Some greenhouse growers, unlike general producers, pay direct tax on land occupied by greenhouses. The primary purpose of grants should be to adjust to situations and changes, adversely affecting operations, which are beyond management control. They should lead to sustainable enterprises which are viable without such patronage;

(13) Marketing and Promotion - the assistance by government departments with advertising/promotions has helped Nova Scotia's greenhouse industry. Increasing the awareness of consumers to the advantages of home-grown produce to the community well-being, makes for steady market development;

(14) Human Resource Development - greenhouse operations involve intensive care/control of plant environment requiring dedication of management and staff;

(15) Extension Services - extension services for greenhouse operators keeps them in touch with new and improved techniques and cultivars. The participation of extension workers in significant trade seminars and visits to major greenhouse areas is essential to their professional competence;

(16) Basic and Applied Research - the Association has an active research committee of greenhouse growers, who are constantly in touch with government researchers and research support agencies;

(17) Energy - energy conservation efforts have involved thermal blankets, more efficient use of growing areas, more energy saving structures, cultivars that are more adaptable to lower temperatures, and conversion to renewable fuels. Also, producers are negotiating for lower off-peak electric rates for growth lights and their contribution to night heating;

(18) Transportation - The Position Paper's observations were generally relevant. Public transport by truck is much less dependable, so growers own their own trucks for market deliveries. Unfortunately, marketing to relatively low population densities involves extra transport costs in deliveries to market. Some businesses had based their development on the economical, speedy, and prompt delivery of the Railway Express services of 50 years ago.

The potential for expansion/development in domestic and Atlantic markets is closely tied to quality, freshness, flavour, and nutritive value. The three conventional greenhouse products are: seedless cucumber's which achieve a substantial share of their market -over 50% in high yield months. As consumers continue to appreciate the taste difference (quality) there will be opportunity for growth. However, over-production to a glut market can be disastrous to producers planting late to save fuel in early growing weeks. With respect to lettuce production there is a modest volume produced and marketed year round. Continuity of supply through winter months is possible through scheduled planting and harvesting during winter months, but yields are only half that of other months. Hydroponics is in its early development stages and finding a gradually expanding market.

Objectives:

The vegetable committee did not specify any objectives, other than those suggested in the general comments, according to the 5, 10, 15 year time frames. A number of objectives, however, were specified by individual producers responding to the questionnaire.

5 years - immediate

- increase lettuce market share by four times present rate
- increase tomato market share by 50%
- seedless cucumber share of market increase by 30%

no 10 or 15 year

Constraints to the above are: marketing costs and price 'wars' by supermarkets using imported lettuce as 'loss' leaders; surplus disposal by central Canadian marketing agencies; specials on imports; lack of producer risk taking which could be reduced through 'cost-recovery' systems for market testing programs.

5 years - immediate

- market survey for greenhouse vegetable crops to establish market potential
- consumer education
- introduction of technological advances as soon as they are developed

10 years - short-term

- become independent of government purse
- continue 5 year objectives

no 15 year

Constraints are primarily seen as monetary - scarcity of advertising funds, need grants for technology research and adaptation, and funds and time for market research.

Maple Producers of Nova Scotia

Production in 1984 was 17,200 gallons of syrup from 167,000 taps by 69 commercial operators (1,000+ taps, or producing to sell, are generally considered commercial). The industry continues to modernize and expand, thereby increasing farm values.

There were no comments concerning the Position Paper topics. In Nova Scotia, maple syrup production tends to be part of a mixed-farm operation, with nearly 70% of local production coming from Cumberland County - traditionally a maple syrup area. Maple production has a short intensive season - 4 to 6 weeks. The collection of sap and its conversion to maple syrup and other products is a full-time occupation, which must be carried out in that time frame if a quality product is expected.

Given the popularity of maple products, its general undersupply, and the existence of unused stands in Cumberland, Colchester, Pictou, Antigonish, and Cape Breton Counties, there is some potential for expansion. However, the amount of capital outlay required, for essentially a part-time operation, tends to be a deterrent to new entrants.

Much of the product (approximately 50%) is retailed directly from the camps, with smaller percentages sold through corner grocers, farmer markets, and some chain stores. Selling is done through the individual producer's marketing approaches, and the Association carries out some general promotional activities through mall promotions, farmer's markets, etc. Unfortunately, the bulk of these promotions are during the summer when little supply of 'fresh' products exist.

The commodity did not specifically have a desired economic position for the year 2000. There were some general indications the Association would like to be in a position to get involved in more promotional/marketing activities; the development of new products; developing new containers/packaging; to send members on a regular basis to the North American Maple Syrup council to exchange ideas with their peers.

Objectives:

No time frame was indicated for the following objectives:

- upgrading existing operations through silviculture practices;
- research and development into reducing energy requirements for processing sap, as well as improving technology for converting sap to syrup cheaper;
- attempt to get an infrastructure in place which would allow for spraying maple stands against gypsy moth infestation (these are maple specific insects);
- promote tree plantings to ensure a good, healthy supply of maples;
- greater promotional efforts in how maple products may be used;
- with regard to exporting, must be concerned with lack of U.S. labeling legislation which allows cheaper, imitation syrups to advertise as "pure", even though they contain little actual maple syrup. In Canada, maple syrup must be 100% pure to carry that label.

Nova Scotia Milk Producers Association

Distributors received 72.1 million dollars' worth of milk in 1983. Fluid milk accounted for 69.3% of production, and 30.7% was used for manufacturing purposes.

No comments were made with reference to the Position Paper's topic areas. The Association did make reference to their high entrance costs, but felt that if returns remained adequate, then the industry would continue to be viable.

Objectives:

Five years - immediate

- marketplace stability;
- feed stuffs self-sufficiency;
- maintain viable farm units;
- particular forage.

Ten years - short term

- land planning - involve land use planning for providing smooth farm transfers from generation to generation;
- improve farmer-consumer communication.

Fifteen years - long term

- reduce production costs;
- improve support from government and consumers for new technology and licensing;
- improvement management.

Nova Scotia Mink Breeders Association

Nova Scotia accounts for an estimated 17% of the Canadian mink pelt production. Pelts marketed in the 1983-84 season exceeded 230,000 pelts, grossing in excess of $9.6 million for approximately 166 ranchers.

No comments concerning the Position paper topics. The Nova Scotia mink industry is 95% dark mink and recognized on the world market as a **top quality** mink. Nova Scotia leads the Canadian industry in quality with 7 or 8 of the top ranches, and there are only an estimated 10 ranches in the world better than those here (80% of Nova Scotia's production and value comes from Digby County).

Like other fur breeders, mink ranchers operate on the world market. As such, they are susceptible to changes in the fashion industry, individual tastes and preferences, and foreign exchange rates. Assuming no major changes in these factors, there could be potential for moderate expansion. Traditionally, this has occurred when persons working on a ranch have started their own and slowly built up their stock and quality.

Given possible changes in fashion taste, the Association basically would like to maintain a stable, viable economic position for the year 2000. This may be best achieved through developing and maintaining a top quality product which would sell even through a downswing in demand.

Objectives:

No time frame was given for the following objectives:

- public education to avert problems caused by anti-fur allegations;
- continue 'short courses' on various ranch management topics to ensure maintenance of good ranch management practices and availability of a good work force;
- attempt to relieve shortages of good labour (in areas with high concentrations of ranches), particularly part-time labour at peak-pelting time;
- continue improving stock quality to ensure competitiveness;
- maintain close ties with the national representative organization, which carries out the bulk of promotions and research for the industry;

- continued support for the Veterinary Services activities/research at Truro's Agricultural College, given that mink are susceptible to diseases.

Nova Scotia Fruit Growers Association

Information presented herein has been taken from the Nova Scotia Fruit Growers' Association study Nova Scotia Tree Fruit Industry: Profile of the Future. Phase 1: Issues and Concerns. Because the Association members were already involved in determining their expected position in the competitive international fruit market for 1990 and beyond, they did not complete a questionnaire. Generally, market issues were the dominant theme of the study; including the growers' concern for the current fragmented market and how it can be coordinated.

The volume of production exported has declined from nearly 75% in 1939 to under 3% in 1982. This has led to the processing sector being developed to the point where 55% to 65% of Nova Scotia apples are marketed through processors. Generally, there has been a trend of farm value decline. Much of this related to increasing world production, and more efficient transportation and distribution networks bringing world competition to Nova Scotia on its home and export markets. However, there are several factors which give Nova Scotia apple growers a competitive advantage:

1. Ideal climate for certain varieties leading to good yields, excellent quality and colour (McIntosh, Gravenstein, Cortland);
2. Large acreages; relatively low land values encourage extensive production and economies of scale;
3. Accessible markets;
4. Strong skill base and technological support;

5. Geographic concentration, including concentration of industrial infrastructure, allowing coordination and distribution of information.

Although potential expansion opportunities were not specifically addressed in Phase 1 (this is the subject of Phase 2 of the study), there are a number of factors which may be inferred. Expansion potential exists in those areas where producers/growers will be able to meet specific consumer requirements. Producers or groups of producers will have to identify market niches which they can supply with a quality product. Furthermore, expansion appears to be based on future cooperation and information exchanges between producers, and between producers and processors.

No specific mention of a desired economic position for the year 2000 was made. It may be inferred the Association wishes to see a stable, viable industry yielding fair market returns to growers' investments. The industry will have to be able to predict market responses and react accordingly. It must also be able to identify markets it can supply, and not produce to the point where 'under-cutting' practices occur.

Objectives:

The following are general objectives mentioned in Phase 1, but not committed to any time frame.

- 'quality improvement'; attempt to have fruit marketed within province subject to inspection/grading similar to the cross-country uniformity of fruit;
- improve and increase storage facilities; this expands market potential and can be used in import substitution;
- need to have capital injections if the industry is to expand;
- need information on quality and volume traded so business units can plan;

- support increased producer involvement in the processor's product development process, for greater understanding of the process;
- seek more interaction and mutual planning between grower and processor; currently focus on short-term issues;
- seek to improve the industry's ability to predict future needs of the market; "product mix" decisions require interaction of marketing and production analysis;
- examine and understand export markets - understand the competition, understand level(s) of protection;
- understand 3 key issues: marketing, production and resources.

Constraints

Constraints to the tree-fruit industry are various. For example: Cash flow problems traditionally experienced in the 'fall' tends to spark 'panic' selling, thereby lowering prices. Tendency of grower individualism can be a barrier to cooperation. Information on quality and volume traded, or export markets, when available, tend to be in aggregate form; this is adequate for large scale analysis but not for business unit decisions. The growers' weak negotiating position vis-a-vis processors, wholesalers, and retailers. Imports of highly subsidized concentrates are a major threat for the future, since import concentrate sets a ceiling price for fruit.

Nova Scotia Grain Marketing Board

The Board is a producer controlled organization formed in 1981. It has approximately 450 producer members, of which 6 are elected to serve on the Board of

Directors. Its main function is to market grain committed (on a voluntary basis) to its pool.

The Board handles 9,000 to 12,000 tons per year, or an estimated one quarter of the grain production (this is 75% of the grain coming off farm). Grains handled are feed and bread wheat, rye, barley, oats, corn, soybeans, and canola. The grains are sold within the Province, with feed grain sold within the valley and north shore, and grain to Dover Mills in Halifax. Prices obtained are as close to western and/or Ontario prices as possible for equivalent quality/grade.

No comments were made with reference to the Position Paper. Currently, the Maritime region is an estimated 44 to 50% self-sufficient in grain production; with Prince Edward Island between 80% and 85% self-sufficient, New Brunswick 40% to 45%, and Nova Scotia in the 20% range. To improve the level of self-sufficiency, and current marginal viability, "integrated cereal management techniques" need to be applied. There must be a reduction in the costs of production per ton while maintaining a margin of profit.

The Board feels grain growing has the potential to double (at least to 40%) if it is properly approached. This implies the "tools" necessary for grain production, in this climatic and soil region, have to be made available. Increases in production depend on how well producers adapt their production technology to meet marketplace demands, and to the extent production is profitable for the grain and livestock producers.

The Board's desired economic position for its members, for the year 2000, would be to receive top dollar for high quality/grade grain equal to the "Western" grain. Greater availability of crop production "tools" are needed, if greater self-sufficiency is to be achieved. This would not only help grain producers, but livestock producers currently purchasing feed from out of the region, thereby having an overall stabilizing effect on the local agricultural industry.

Objectives:

While no specific time frame was suggested, the sooner some of the objectives are achieved, the sooner greater self-sufficiency could occur.

- have to achieve consistent quality and quantity (to the extent the Maritime climate allows);
- have to gain buyer confidence on the grain's quality and the ability to meet supply demands;
- have to develop a system of price competitiveness which discourages price undercutting;
- attempt to market grain crops over full marketing year to get a good average market price - avoid gluts which lower prices -advance payment systems implemented by the Board try to achieve both producer and buyer's needs;
- research and develop, and implement varying forms of integrated cereal management techniques;
- support changing feed freight assistance program to cover all producers, regardless of whether grain is sold or used on farm. This "expanded" coverage should be phased down as self-sufficiency rises to more locally acceptable levels;
- support initiatives in required changes for feed grades, that would stop imports of seed screenings containing wild oats, and other contaminants, jeopardizing Nova Scotia's future self-sufficiency;

Constraints to greater self-sufficiency include:

- lack of licensed climatically/genetically suited varieties;
- lack of registered effective crop protection materials, particularly fungicides essential for yield protection;
- scarcity of the proper types of equipment;
- data from evaluation trials of local research must "run a gauntlet" of expert commodities which are mainly western dominated and have little or no understanding of local needs.

Nova Scotia Turkey Marketing Board

In Nova Scotia, an estimated 3.6 million pounds of eviscerated turkey were produced by 12 producers.

The Board supports the Positions Paper's "Family Farm" topic. Specifically, they feel the majority of producing farms should be kept out of "corporate giant" hands. While "giant corporations" attain efficiency through their control of production through all stages, their extended chains of command are inefficient.

One of the Turkey Marketing Board's major functions is to provide the producer with income received through the marketplace, that covers total cost of production and yields a reasonable return on the investment.

The Board believes producers must have some economic security; this could be achieved by supplying a greater share of the local market. Currently, only 35% to 40% of what is consumed is local, the Board feels a minimum of 80% would be more appropriate.

If this 80% could be supplied, the producers would have greater economic security through greater returns, and consumers would be less vulnerable to marketplace swings due to outside sources.

The potential for domestic expansion (local) is very substantial for the following reasons:

- currently supply only 35% to 40% of own market consumption;
- increasing demand for processed products (another processor in Kentville Industrial Park);
- consumer acceptance of poultry products for nutritional value;
- turkey among one of the best converters of plant to animal protein (feed efficient).

With respect to possible export potential, the Board has approached the Province to work with and financially assist the industry in an effort to gain some export market.

The desired economic position for the year 2000 is to supply a minimum of 80% of the local market consumption, together with making the industry more viable through broadening the "base" for each established producer, plus the inclusion of several new growers.

Objectives:

Five years - immediate (continue for ten and fifteen years if not achieved)

- the main objective as presented to CTMA (Canadian Turkey Marketing Agency) in October, 1984, and sanctioned by Nova Scotia's Department of

Agriculture and Marketing, and the Board's governing body - the Natural Products Marketing Council (NPMC).

Base Quota:

1984 - 3,850,000 eviscerated pounds
1985 - 5,000,000 eviscerated pounds
1986 - 5,600,000 eviscerated pounds
1987 - 6,200,000 eviscerated pounds
1988 - 6,800,000 eviscerated pounds
* 1989 - 7,380,000 eviscerated pounds

* approximately 80% of 1984 market consumption

The Board feels it is imperative for the provincial government and the NPMC to work with them towards this outlined base.

Constraints for increasing the Base Quota and hence the greater share of local markets are seen to be:

- provinces with larger base quotas currently supplying the majority of the local market are unwilling to give it up;
- the CTMA has difficulty establishing a new base quota (updated) due to resistence from Quebec. Quebec stands to lose ground because of very low per capita consumption compared to other provinces;
- the CTMA must work on a five-year average (Base) as established for 1969-1983, and specifically outline criteria for overbase allocations when it divides each year's required production for Canada.

Pork Producers Association of Nova Scotia

The 1984 hog production increased by 20,000 hogs (up from moderate 1983 and 1982 increases), accounting for a large part of the industry's overall growth. Cash receipts for 1983 were nearly $27.5 million, with 224,000 hogs marketed. Narrower feeding margins, due to lower hog and higher feed prices, will likely continue to be experienced.

The Association supports the Family Farm topic (Topic 1) in the Position Paper. Specifically, it would like to retain the ability to assist smaller sized units demonstrating the required management abilities to reach a sufficient scale of size where efficiency and viability are improved.

In addition, the Association took exception to a statement on page 50 of the Position Paper. This statement refers to the difficulties experienced in hog production as an "example of what may occur when grants encourage expansion without reciprocal development of the market . . . ." The Association states as fact - there is not enough hog production in the Maritimes today to meet the demand of the three major hog killing plants located here; the problem lies with pricing. Prices are based on Toronto market, which in turn is based on U.S. prices. There is a need to base hog prices on the local economic situation. If the current production level is not maintained, packing plants could close.

Since Nova Scotia is presently only 45% to 50% self-sufficient in processed pork, the Association believes the opportunity exists for development of additional processing facilities.

The desired economic position for the year 2000 is to provide people currently in the industry with a respectable level of income. Presently, the Association is in the position of supporting the development of supply/management for the commodity. Finally, no further expansion in production facilities is foreseen, with decreases being more likely.

Objectives:

- to make the cost of production more equivalent across Canada;
- to reduce the variability in feed costs between provinces, e.g., a Nova Scotia hog producer pays $37 per tonne more for feed than an Ontario producer.

Constraints are seen to be the amount of time the federal government requires in making decisions, and government officials stating government policy as allowing production to shift to those areas with the least cost of production.

No 10 and 15 year objectives due to changing market conditions, government policy, etc.

Raspberry Producers Association

There are approximately 20 producers growing raspberries in Nova Scotia. In 1982 45,000 quarts were grown, yielding a total farm value of $86,000.

There are a number of constraints which raspberrry producers have to deal with, one being the nature of the berry. Raspberry plants are susceptible to diseases and require close attention and preventative spraying. When berries ripen they require careful handling or will spoil easily; furthermore, once the berry ripens (which can literally be overnight) it will spoil quickly if not picked soon. Finally, damp weather, not uncommon here, during ripening could cause the entire loss of the berries.

Damage inflicted by vertebrate animals, birds in particular, can be extensive and is costly to control. Another constraint is related to marketing. Generally, the market is fragmented with price undercutting occurring in an attempt to recover some return on investment before spoilage. Also hobby farmers who grow small acreages of berries can disrupt the marketing plans of full-time producers, and generally depress the market price received. Quality and promotions are other aspects of marketing which need to be examined. Some generally agreed upon minimum standardization of quality may help the overall selling of the products. It is not difficult to see how one order of 'poorer' berries could affect the selling efforts of all producers.

If these constraints could be handled adequately there may be some possibility for expansion.

Sheep Producers Association of Nova Scotia

There are an estimated 400 farms with sheep on them. Only 51 of these farms have flocks of 100 or more sheep whereby, at least, a 50% portion of their income is derived through sheep/lamb sales.

Aside from the Association, there is also the Northumberland Lamb Marketing Coop which is active in marketing local fresh lamb in the province, Newfoundland, and

New Brunswick. This year the coop expects to sell 6,000 lambs, representing 1/3 of the province's fresh lamb consumption.

Currently the Association's concerns are aimed at: ensuring a constant price coupled with consistent quality; increasing their local market by determining which 'niches' may best be filled (for example, a 40lb carcass weight is popular here); seeking greater recognition by the provincial government of the predator problem (specifically coyote) and an accompanying compensation program for predator kills; and attempting to become a self-funding body which would represent itself to provincial and federal governments to protect their interest or help direct policies.

With respect to the predator problem, and specifically the development of a compensation program, the Association has experienced frustration due to Agriculture and Marketing, and Lands and Forests debating the question of which department would assume responsibility (or portion thereof). Many producers carry private insurance, which tends to be unsatisfactory. 'Deductibles' are placed on the policies when the first claim is made; even though companies originally state there would be no deductibles.

The predator problem may also be approached from the 'preventative' perspective. The Association recognizes Lands and Forests personnel have been supportive, to the extent of their resources, and have become adept at trapping coyotes. Another method for protecting sheep involves electric fencing. Currently, the Nova Scotia Department of Agriculture and Marketing covers 50% of the cost of new fencing. The Association would like to see this coverage extended to 75% and include replacement or upgrading of old fencing. This would be of particular help to young, new entrant producers, who are more likely to purchase an older farm in need of upgrading.

In marketing, the Association is currently involved in encouraging producers to lamb part of their flock from September through to December for the 'spring lamb market'. This would increase the producers' ability to serve the market on a year round basis, and alleviate the 'natural' fall glut. The demand for spring lamb outstripped supply last year, and producers must be encouraged to fill it or it will be 'lost'. Another market concern by the Association relates to foreign suppliers (such as New Zealand) invading the local market (which local producers have worked hard to establish and develop), with fresh chilled lamb and undercut local prices. There has to be some initiative from government to protect the local viable industry.

While producers are free to market on their own, the coop gives them greater control and marketing power. Currently, all Sobey stores carry fresh Nova Scotia lamb (year-round), and there have been some inroads made with Boland's IGA. Finally, while returns for lamb, vis-a-vis other red meats, have been reasonable and there appears to be some possibility of moderate expansion, there is **no great boom** anticipated in sheep over the next 5 to 10 years.

Promotional efforts by the Association are limited due to the high finances required. Current promotions are assisted by a number of government programs and Agriculture and Marketing's marketing staff. It is generally accepted that additional staff for the marketing section would greatly assist their efforts in aiding the various commodities. Related to the question of promotions, the Association focused on the poor link between media and agriculture. Promotional benefits could be achieved through better media exposure of successful producers and/or government programs. This type of exposure could also help in educating the public on what today's agri-food business entails.

Although no time frames were outlined the following are goals which the Association will be pursuing:

- the ensurance of a fair, constant return coupled with constant quality;
- the implementation of a compensation program for sheep/lambs killed by predators;
- improved programs for predator control, particularly extension of coverage currently offered by the Nova Scotia Department of Agriculture and Marketing to include 75% of costs (now 50%) and applicable to replacement/upgrading of fencing (now applicable only to new fencing);
- continued development and strengthening of the local producers' position in the local and Atlantic region markets;
- encouragement of producers to lamb sheep in off-season to demands, and expand supply to a year-round market;
- protection of local market, from 'unfair' competition by outside suppliers, if necessary;
- the improvement/expansion of promotional efforts; particularly if Agriculture and Marketing marketing division expands;
- develop better relationships with government in order to foster quicker response time to producer concerns.

Strawberry Growers Association of Nova Scotia

Five million quarts, a 10% increase in total bearing average, in 1984 was the largest crop produced and sold. Factors contributing to the record crop were good wintering, no spring frost damage, increased farm irrigation, and high yielding varieties. In addition, 15 million nursery plants were sold, with 85% of these marketed out of Province.

The Association is a firm believer in the need for the continuation of the family farm and therefore agrees with Topic 1 of the Position Paper. Furthermore, the strawberry producers are concerned with rapidly increasing production, which is simply cutting the limited market and driving prices down. The general consensus is much of this excess production is due to part-time growers (with full-time off-farm jobs), who do not depend on sales for a living and tend to sell at a lower price.

The expansion potential for strawberries should be nil until markets can be found to handle existing production at reasonable prices. Sales through U-pick operations are fully exploited and should not expand.

Expansion appears to be dependent on developing new ways of using strawberries, including new processing techniques aimed at better "utilizing" products. Finally, promotions need to be undertaken to increase consumption, and more on-farm cooling facilities should be established to improve berry quality and extend market times to decrease "gluts."

The Association's desired economic position for the year 2000 is to eliminate all imports, where much of current imports are directly or indirectly subsidized. Also, producers would like to be in the position of being able to sell all existing production at prices giving "fair" returns.

Objectives:

Five years - immediate

- reduce amount of imported strawberry product.

Ten/fifteen years - long term

- have a viable mechanized harvesting system in operation.

Constraints are political pressure and price, and development of cultivars suitable to mechanized harvesting.

Tobacco Growers Association of Nova Scotia

There are 16 producers growing tobacco in the Province; approximately 1/3 of these have incomes solely dependent on tobacco sales. In 1984 there were 690 acres in production yielding nearly 1.6 million pounds of tobacco with an estimated gross value of 2.7 million dollars.

The Association's biggest concern are the various health groups and anti-smoking concerns. Due to these health interests production has been reduced to the point where Ontario processing plants, where Nova Scotia tobacco is bought, are opertaing at only 35% utilization. Other concerns are cheap imported tobacco and tobacco products from developing countries - causing further reductions; and high taxes imposed on tobacco products - placing downward pressure on sales.

While tobacco producers are sympathetic to the health concerns of persons, it is difficult for them to shift their resources into other forms of production and maintain a reasonable livelihood. Generally, a 40 to 50 acre tobacco farm would yield a good return on investment. There is no field crop today which can come close to the economic returns of tobacco. Not all economic benefits accrue to tobacco processors and producers. The Federal and Provincial Governments receive $1.5 million in tax revenues from a single tobacco farm. Finally, aside from difficulties in finding a crop (or crops) to replace tobacco, the entrance of more producers in certain commodities would likely reduce prices because of increased supplies.

The future plans for tobacco producers are somewhat uncertain. Generally, they are concerned with planning reductions in crop production to meet the decreased demand for tobacco products. Also producers will most likely be examining ways to diversify their production interests to replace lost tobacco revenues. There has also been interest expressed in forming a national tobacco marketing board in the near future. The proposed board's main concern would be to give producers a better bargaining position when dealing with tobacco companies; it would also have some interest in promoting export sales where possible.

Vegetable and Potato Growers Association

Vegetable

There are approximately 25 varieties of vegetables grown commercially in the Province; ranging from asparagus, beets, broccoli, carrots, corn to squash, swiss chard, tomatoes, and turnip. In 1985 nearly 4,700 hectares were utilized in vegetable production, yielding an estimated $12 million at the farm gate.

Producers' feel there is no problem of supply; there are many vegetables which can be grown locally to compete with imports. The problem is in the marketing of the produce. Marketing of vegetables is mixed; some are marketed directly by individual producers to retailers, others are sold to wholesalers, some are U-pick and others through farm fresh markets. While this mixture is not necessarily a problem in and of itself, the ease with which a crop may be 'shifted' from one market to another tends to fragment or disrupt the anticipated marketing plans of other producers. There **has to be** a greater accounting, and coordination of the promotional and marketing activities of producers.

Recently the Vegetable and Potato Producers Associations sent a five person delegation (producer and government representatives) to examine marketing in Europe (Netherlands specifically). Two marked differences in this system are: a majority of producers voluntarily sell their product at auction through a number of central co-op facilities; and produce which is not sold in a set time is 'shredded', and sold as feed - ensuring the market has **only fresh** produce. The overall advantage of this system may be interpreted as being one of coordination. The amount of produce available is known, consumption patterns and projected shortfalls are known, this allows producers to know how many imports are needed and what variety.

It was felt Canada is behind the times relative to Europe and the U.S. in getting produce out of the fields and into markets. Information on how much of any one vegetable being produced, how much is demanded, and how much is being imported tends to be lacking. The problems associated with lack of coordination is further exacerbated by producers who sell at a lower price, to avoid having their product spoil, and receive at least a partial return to their investment.

While the traditionally independent spirit of producers may be the root of some of the problems, local wholesalers and retailers are not totally free from blame. More often than not wholesale/retail buyers will purchase large orders from outside the province, regardless of whether local varieties are ready or nearly ready. Delays in marketing, caused by imports, mean some producer's crops will have a shorter shelf-life (over-ripened) when marketed, and receive a lower price. There is also some tendency by retailers to leave products on the shelf too long, in an attempt to get a return from it. Consumers see local products which are over-ripe, whithered and bruised from extensive handling, and get a poor impression of local produce quality.

The Association is faced with attempting to educate producers to the benefits of more coordinated marketing approaches, and the need to ensure quality with quantity. Education and cooperation is also for local wholesalers and buyers, who must understand buying local produce helps support the local economy and ultimately their operations. Finally, the local consumer has to be educated to demand fresh, quality local produce. Basically, future plans for the Association will include examination of alternative marketing/promotional strategies, examining quality control for local produce, and the further development of feasible cold storage facilities which could extend vegetable life, withstand import pressures, and avoid market gluts.

Potato Marketing Board

Potato plantings for the 1984 season increased to 4,100 acres. Good early crop yields resulted from good growing conditions, but later hot, dry weather adversely affected the processing crop.

Although no comments were made about the Position Paper's topic areas, the Board did echo the general theme of better prices needed for producers.

Expansion potential is very limited in either seed or processing/production potatoes. Seed potatoes have limited expansion because they sell at world market prices which do not meet production costs three out of four years. The potential for processing/production potatoes is dependent on the processors', such as Hotess Foods Ltd., ability to expand their market. Finally, since Nova Scotia producers cannot compete with prices offered by Prince Edward Island in the regular season, there may be some potential for expansion in early potato production for July and early August marketing.

The desired economic position for the year 2000 is one of continuous profit, rather than a one in four ratio (1 year profit out of 4 years operation). Constraining this bid for more continuous profitability is the regulation allowing a #2 Prince Edward Island potato access to the Nova Scotia market, thereby lowering the price for Nova Scotia #1 at the wholesale level.

Objectives:

Five years - immediate

- supply Nova Scotia market with not only processing but seed and table potatoes also;
- need to reinstate a Royal Commission on Eastern Canada Potato Production (cancelled by present federal government);
- the removal of a #2 potato grade from local markets would alleviate some constraint. Also, rules which allow Prince Edward Island to sell seed in Canada at world market levels need to be changed.

Ten and fifteen years - short and long term

- work towards a profitable export position.

ANALYSIS

While agriculture is commonly viewed as being homogenous, there is a great deal of variance both across commodities and within commodities. As can be seen from the questionnaire responses 'farming' and 'farmer' are blanket terms covering a wide range of skills and operations. 'Farmer' may mean anything from a beekeeper, living on a pension; to a Western grain farmer with 10,000 acres, completely mechanized; or a dairy farmer with 200 milking cows and a $1.5 million investment, probably in long and short term-debt.

The majority of Canadians being removed from farms and food production have an unclear picture of what agriculture entails. They are of the impression producers are reasonably well-to-do; given food prices and the machinery and land they own. This impression was further reinforced when the Federal Finance Department released Tax Issues in Agriculture January 1985.

The document stated farmers made twice the amount of income than the average Canadian. It further highlighted the average farm being worth $508,000 with $417,000 of this being debt free. What the $417,000 refers to is the 'equity' of a farmer. This equity does not pay for cost of production bills. The equity is composed of a farmer's tools of production: livestock, land, equipment, barns, etc. Traditionally, this has been where producers have drawn their retirement funds upon resale. However, given regional differences and changing economic conditions, there is a good probability the unit would not sell for its full equity value; and the producer would not recover the investment.

Admittedly there are some well-to-do farmers; just as there are well-to-do businesses, and individuals. However, what is of concern are the long-term trends which are affecting the majority of producers. The Farm Credit Corporation in their 1984 Farm Survey, found total debt load on Canada's farmers increased by 17% in the past 3 years, while the total net worth has fallen $4.2 billion -- a decline greater than the industry profit during this period. Based on information available to the end of June (1985) Statistics Canada, and Agriculture Canada have predicted net farm income will drop by 15 per cent from last year. The drop is based on the assumption crop yields will be normal, which (given the weather) is hardly assured. Finally, when adjusted for inflation, real net farm income has risen slightly since the mid 1970's. In current dollars net income has actually dropped 8% from 1979 to 1983 (Department of Agriculture & Marketing Agriculture Statistics v.20, 1984). In part this may be explained by the 'price-cost' squeeze producers face; where operating costs rise at a faster rate than cash receipts. Obviously, all is not as well with agriculture as Tax Issues in Agriculture would have us believe.

A brief look at the four major farm enterprises -- cash crops, dairy, beef, hogs -- emphasizes the high risk nature of Agriculture.

The farm income-to-total assets ratio, which may be considered as a measure of profitability, shows how much gross income will be generated for a dollar invested. (Farm Credit Corporation - Farm Survey 1984). For Atlantic region cash crop farms (based on survey sample) including specialized vegetables, fruit producers and grain producers, the measure of profitability averages .290 or 29¢ of gross income ($106,927 average farm sales/$368,565 total assets) for a dollar invested in each crop production. For dairy farms the ratio is 23¢; beef farms have 9.5¢ ratio; and hog farms have 43¢ per dollar ratio (the hog sample's coefficient of variation exceeds 25% indicating a small sample size). This gross income per dollar is what the producer receives to pay for expenses and cover the current opportunity cost of capital. The examples given, although only averages, indicate farming is a long-term venture requiring a high degree of capital, investment, and commitment before equity or profit may be realized.

With respect to total farm assets; 2/3 of the farms in the Atlantic region are below the $328,000 total assets level, by comparison only 1/3 of Alberta farms are below this level. Although the level of assets vary widely, the level of farm product sales is more constant between regions. This suggests more intensive farming, with a smaller capital investment in the Atlantic region.

Farms may also be characterized by their percentage of equity. Generally, low equity farmers have fewer years of experience managing their farms; suggesting a higher proportion of beginning farmers. Capital investments vary widely for the different levels (low - less than 86%; medium - 86% to 98%; high - 99%); with the low-equity group investing an average $29,750 in 1983 compared to $5,274 for the high (Farm Credit Corporation - Farm Survey 1984 p. 61). This suggest more rapid expansion for low-equity producers in spite of higher interest rates. The need for lower-equity producers to invest in capital expenditures, in an attempt to become more efficient/productive in order to raise their farm receipts and eventually their equity, may in part explain the rapid expansion. Quite simply, in order to survive the low-equity producer must invest and expand/develop.

The ratio of average capital borrowed to average capital invested in 1983 for each equity group is: low-equity 78.82¢ borrowed for every $1.00 invested; mid-equity 28.64¢ and high equity an estimated 37¢ (Farm Credit Corporation - Farm Survey, 1984). This pattern suggests a deficiency in the repayment ability or net income generating capacity of low equity farm operations given current economic conditions. Although an

80 per cent equity may be considered high, it is necessary in agriculture, to ensure the viability of farms.

It may be suggested the current downswing in agriculture is cyclical. The question is how much of our local agriculture and producers can we afford to lose in waiting for an upswing.

What all this indicates is that agriculture is a high risk, high venture business. The risks are negatively impacting on persons wishing to enter farming, new entrants, and established producers operating efficient enterprises. When this happens all sectors of the economy suffer.

Finally, the following are strategy points from the commodity questionnaires, considered in developing recommendations for long-term viability in Nova Scotia's agri-food industry:

1. Much of the perceived future development potential is dependent on consumer's demand and the possibility of developing new processed products.
2. Greater promotional efforts, and identification of local produce.
3. 'Image' - public education on what farming entails.
4. Protection of land - a comprehensive/coordinated provincial land-use policy aimed at ensuring a land base for local production.
5. Many commodities too involved in year-to-year functioning of unit to plan for 10 or 15 years ahead (barely plan for 5).
6. Legislative/regulatory bottlenecks preventing possible developments of new markets, market flexibility, and increase efficiency and competitiveness.

RECOMMENDATIONS

The question arises as to how the risk taking environment producers operate in may be reduced, while improving their competitiveness and market flexibility. There appear to be a number of approaches which could enhance producer returns through the marketplace, for example:

1. Decrease the cost of production on producers and/or input sources (chemical, feed, energy, equipment industries, etc.).
2. Increase market shares through increased promotions/marketing, and/or import substitution.
3. Increase producer's efficiency and productivity resulting in greater production yields for the same cost.
4. Increase food prices to more accurately reflect the cost of production.

It is unlikely any one of the above will yield the desired long-term viability of the local industry. Because of the industry's diverse commodities and needs, policies aimed at any 'one' area of the agri-food process may only temporarily alleviate any constraints; and unwittingly impact negatively on another. Therefore, an approach which coordinates all aspects of 1, 2, 3, etc. would yield the maximum benefits. This broad-base approach gives the flexibility needed to respond to individual commodity and overall industry needs.

THE SECTOR HAS IDENTIFIED FOUR 'STRATEGY' AREAS WHICH EMBODY THE BROAD-BASE APPROACH, AND WOULD YIELD THE DESIRED LONG-TERM VIABILITY OF THE LOCAL INDUSTRY. THEY ARE:

1. **Resources** - land, organization and ownership, management, labour and financial capital

2. **Marketing and Promotions**
3. **Legislation and Regulation**
4. **Services**

RESOURCES

Land

To encourage the preservation, development and improvement, of an adequate, sustainable land base through good conservation, and land management practices for the province's future food needs.

The Sector Recommends:

1. **Examine alternative measures, and their regional implications to encourage idle farmland be brought back into production.**

   The current taxation measure has not been effective -- to date no agricultural land has been taxed for having been left 'idle' for prolonged periods of time, even though there are producers who have shown interest in using the land either through purchase or rent.

2. **Development of a provincial agriculture land-use policy which would aid in the maintenance and management of the land base.**

   While accepting regional and county differences there is a need for an overall policy guideline which could guide maintenance, and development of what is really a 'provincial' resource.

3. **Region-specific research to determine the cost of increased rates of soil degradation to replace current "guesstimates".**

   The loss of productivity through soil degradation is a topic of great concern; unfortunately the cost associated with these losses are primarily "guesstimates". The need to expand local research is necessary if accurate, regional appropriate costs are to be determined.

4. **Improved public education material to make non-farm persons aware of soil conservation and other farm issues.**

   Issues negatively impacting the producers' ability to operate and produce quality foodstuffs are a 'provincial' concern. The public cannot simply enjoy the benefits of local agricultural production and not bear any of the concerns or responsibilities of soil conservation - this has to be recognized as a "social" cost.

5. **Strongly urge government not to promote extensive "expansionary" measures without accompanying market development.**

   There is growing realization among producers that greater management of supply (in whatever format) will be necessary to curtail 'overproduction' glut markets, and panic selling. Government programs, used as production facilitators/incentives, can unwittingly contribute to 'overproduction' if accompanying market research and development are not carried out.

Organization and Ownership

To maintain and develop the 'owner-operator' aspect of Nova Scotia's agri-food industry.

The Sector Recommends:

1. **The development of a local, agriculture industry computer model, allowing greater detailing and 'predictive' capabilities.**

   There is a need for a 'predictive' tool, which could determine and predict impacts on agriculture from various inputs, thereby helping in policy (government and/or industry) decisions. Existing educational (university/college) and government infrastructures, may be able to fulfill this need.

2. **The support by the provincial government in terms of a stated 'agriculture policy'.**

   A 'stated' government policy concerning its support to agriculture, vis-a-vis other sectors, would help clarify the industry's position with respect to priorities and programs.

3. **Financial and/or expertise support (when needed) for commodity group market research activities; including commodity group profiling.**

   Many commodity groups contacted had not considered long-range strategic planning beyond immediate (annual) needs, due to a lack of time, expertise, finances. Future broad-base planning exercises would benefit greatly if the commodities had developed "profile" studies.

4. **Research alternatives for linking quota to the farm, allowing them to be sold as a unit.**

   Quota assuming a value independent of the farm is a drawback to succession of units. It has a tendency to increase farm size, decrease farm numbers, break-up viable units and increase "entrance" costs. A method of supply management linked to the farm could help farm sales to new farmers and maintain a dynamic commodity.

5. **Development of "right to farm" legislation limiting the conflicts occuring through urban encroachment on agricultural areas.**

   Conflicts between farm and non-farm interests will likely increase with continued urban-rural encroachment. Nuisance suits against odours, noise, dust, etc., caused by **normal** farm operations, disrupt the individual's ability to carry out his/her means of livelihood. A "right to farm" together with accepted farm management practices protect the farmer from unwarranted suits, and the non-farmer is assured of proper management procedures.

6. **Examining the means for limiting importation of products when our own products are in season.**

Because of the provincial market's limited size a trailer load of produce can "fill" demand for 1 or 2 weeks causing local producers to sell at a loss, dump the product on another market, or plow it under (as with tomatoes this year). This 'erosion' may lead to the eventual loss of locally grown product(s).

7. **Provincial and federal support for the MFC/NSFA Strategy on grain sufficiency.**

The MFC/NSFA strategy on grain sufficiency is aimed at developing the local grain growing sector, which in turn could have benefits on the local livestock industries. The plan would develop and strengthen these commodities and benefit the overall industry, the service industry associated with agriculture and province's economy.

8. **The Sector supports the notion of 'freer' trade.**

Local producers do not see (currently) 'free trade' as benefitting Nova Scotia's agriculture industry. The U.S. has a surplus of produce, in a number of commodities, which could easily supply our needs without disrupting their own demands or altering their production. The Sector feels the province should be thoroughly examining the issues, their implications, and work towards commodity-specific negotiations recognizing certain National Agricultural Policies would be non-negotiable. Furthermore, while "agriculture" may be discussed as a separate issue in 'free trade talks', the industry must have representatives present at all negotiations -- if their linkages to other sectors are altered it will have an impact.

Management

To maintain and develop the high degree of commitment, level of service, and management skills of local owner-operators, and producer organizations.

The Sector Recommends:

1. **Continued support for 'extension services' and 'short courses' in the latest agri-business management practices, including Nova Scotia Agricultural College efforts.**

   Extension services and short courses are an essential support system for keeping producers informed of the latest agricultural management techniques. These are investments in human resources, which translate into long-term economic benefits to the province from its agricultural land resources.

2. **Continued support for commodity groups' organizational activities.**

   Commodity groups are a means for producers to voice opinions, concerns, and generally organize their activities. They give producers a greater 'voice' when dealing with wholesalers, retailers or government.

3. **Encourage greater producer dialogue and cooperation between and within commodity groups.**

   Cooperation and support within and across commodity groups can only benefit the overall industry. Dialogue between groups can help in avoiding conflicts of interests, and lend greater support to any one group's concerns.

4. **Encourage greater dialogue and cooperation between components of the agri-food business — ie.: producers, processors, wholesalers/retailers, commercial users.**

   This could result in a more cohesive marketplace, and mitigate such problems as ill timed imports.

Labour

To ensure and develop the 'pool' of a skilled labour force responsive to the agri-food industry's needs.

The Sector Recommends:

1. **Pressing the federal government to include farm occupations on the "Occupations of National Importance" list.**

   There has to be a recognition that shortages in farm occupations can severely handicap development of the industry. Inclusion on the "Occupations of National Importance" list would be an investment in the industry and nation's economic potential.

2. **Continued provincial support in including farm occupations on Provincial Occupations of Importance list.**

   Farm occupations are included on the Provincial list and should continue to appear, as they are needed, to ensure a good supply of skilled labour.

3. **Development of agriculture awareness courses in school curriculums.**

   Agricultural awareness courses in school curriculums could encourage students to enter some aspect of agriculture as an occupation. At the least it would educate future consumers with the complexities of modern agriculture.

4. **Continued support for 'short courses' and 'extension courses', including Nova Scotia Agricultural College efforts.**

   Same as management, page 105.

Financial Capital

To ensure adequate supplies of financial capital at reasonable rates, and without major delays, are available for agriculture's current and future requirements.

The Sector Recommends:

1. **Continued support for the Nova Scotia Farm Loan Board.**

   The Nova Scotia Farm Loan Board plays an important role in providing the financial requirements of producers, and helps maintain/develop the owner operator quality of the industry.

2. **Discouraging loan applications to Farm Loan Board by hobby farmers.**

   Loans to hobby farmers, who do not rely on the farm cash receipts for their income, and/or have no intention of becoming full-time farmers, should be discouraged; as they remove finances from those who need it.

3. **Greater agricultural awareness/education programs targetted to short-term farm creditors.**

   Farm creditors dealing in short-term, 'operating' loans have to become more aware of producers' needs and the complexities of the agri-food industry.

4. **The Sector supports the notion of 3rd party review in farm bankruptcy/foreclosure procedures.**

   There is a need for an independent review in foreclosure/procedures, to ensure operations are not foreclosed permaturely and placed unnecessarily in bankruptcy.

MARKETING AND PROMOTIONS

To maintain historical markets, encourage greater market flexibility, and promote greater producer involvement in marketing and promotions, and market research.

The Sector Recommends:

1. **Producers research alternatives for bringing production in line with markets.**

   This 'supply management' could reduce over production, gluts and low farm receipts, and help achieve the long-term goal of obtaining the total income from the market place.

2. **Market development and research be carried out at provincial and federal levels for provincial, national and export markets.**

   Governments can be useful in researching and developing markets, particularly in export markets requiring government - government negotiations. The Sector supports government 'trade missions' where export efforts may be coordinated, rather than piecemeal approaches.

3. **Promotion of market strategy planning to Commodity Associations, to encourage market niche identification and filling.**

   Although commodity associations tend to deal with immediate concerns, greater efforts should be made in determining long-range needs and/or actions required. Producers can no longer simply grow a product and expect it to sell as is; they must take a greater role in determining and developing market tastes.

4. **Encourage promotional efforts of complimentary food products.**

   Where individual commodity promotions can be expensive; greater cooperative efforts (sharing costs) could gain greater consumer awareness and increase demand for products.

5. **Develop a 'cross-commodity' provincial marketing and advertising campaign to promote local food and beverage products.**

   The development of a 'generic' provincial campaign which would promote all local food and beverage products to increase and develop consumer awareness.

6. **Increase agricultural awareness programs to raise the consumer's awareness of the type and quality of locally produced food.**

   Greater consumer awareness potentially becomes greater demand. Consumers, particularly in large urban centres, have to be made aware of the overall benefits of local agriculture.

7. **The Agriculture Sector strongly encourages government departments and government operated and/or funded institutions to buy "local".**

   The sector feels government (provincial and federal) departments and government operated/funded institutions should support local producers/suppliers in buying local products of equal value and quality. This would help stimulate the provincial economy by keeping monies working locally.

LEGISLATION AND REGULATIONS

To encourage and ensure greater producer input in the legislative and regulatory process, to mitigate negative impacts caused by existing and lacking legislation and/or regulations.

The Sector Recommends:

1. **Development of, and producer input to, some form of "Right to Farm" legislation/regulation.**

   As mentioned in organization and ownership, page 99.

2. **Development of, and commodity input to, some form of "Nova Scotia Cottage Winery" legislation/regulation.**

   Cottage wineries are new industries with great potential. The lack of regulation relating to selling their products off premises, offering samples, and selling direct to restaurants severely inhibits the commodity's ability to develop. Also, the lack of licensing differentiation between large commercial interests and cottage wineries impacts negatively on the cottage wineries more limited resources (see grape grower's questionnaire reply, page 89).

3. **Review of existing measures for returning 'idle' agriculture land into production.**

   As mentioned in land, page 101.

4. **Submission of an industry review of existing and needed legislation, or regulations, which restrict industry competitiveness and market flexibility, to the Provincial Coordinator of Regulation.**

   An overall industry examination of existing or needed regulations could focus more readily on those areas which government should examine in helping the industry dynamics.

5. **Producer input to deficit cutting or cost recovery policies of the provincial and federal government, to mitigate possible negative impacts on legislation/regulations affecting the industry and its components.**

While the Sector applauds deficit cutting efforts, the opinion is often bureaucracy, engages cost recovery programs simply on the basis of 'bottom line' without considering the industry's heterogeneity.

SERVICES

To maintain and develop the variety, and quality, of services which identify, and help fill, current and future agricultural needs.

The Sector Recommends:

1. **Support for technological acceleration/transfer research and development applicable to agriculture, through human resources.**

   These are needed investments for the future, otherwise the industry will stagnate and lose ground to competitors. Alternatives which give producers comparitive advantages through efficiency and effectiveness gains.

2. **Continued support, and refinement of government sponsored 'service' programs to meet the industry's requirements — land, management, marketing technical, labour, etc.**

   Existing government services should be examined to ensure they meet the needs they were originally instituted for.

3. **Strong support for provincial and federal government initiatives in researching and identifying possible export, provincial and national markets.**

   As in marketing, page 108.

4. **Provincial and federal research and development efforts be more region-specific.**

   Research and development activities should be encouraged to account for regional differences and needs. Where possible, producers could direct research to meet their current (applied) needs.

5. **Strong support for greater producer input in deficit cutting/cost recovery actions, on services, before they are implemented.**

   As in Legislation and Regulations, page 111.

6. **Government research on how the free trade would impact on the regional economy, and the local agri-food industry in particular.**

   As in Organization and Ownership, page 104.

CONCLUSIONS

Agriculture has been one of the basic industries of importance, in Nova Scotia from the time of the first settlers. The industry has progressed from its subsistence beginnings to actively competing on global markets. To ensure the continued viability and growth of local agriculture, long-range planning that identifies possible areas of development and potential setbacks is necessary.

Towards Agriculture Tomorrow: A Position Paper was the beginning of the Agriculture Sector's long-range planning efforts. The document was a 'working paper' highlighting the industry's position and concerns on a variety of topics. It was also the first step in developing a broad-base planning document.

This Strategy Paper is the synsthesis of two years of producer commitment and research. It examined the objectives of all commodity groups in the Province. These objectives together with the combined expertise, and intuition of private and public industry representatives were used to determine the strategy areas on which recommendations were based.

Although this phase of the planning process is over, the Agriculture Sector fully realizes much work remains to be done. The recommendations must now be presented to appropriate public and private sector organizations and individuals. The upcoming negotiations for a new Canada-Nova Scotia Subsidiary Agreement on Agriculture would benefit from Strategy Paper input.

The goal of a long-term viable, local agriculture industry has to be the number one objective for the industry and the public. A viable industry, and its numerous socio-economic benefits cannot be developed by band-aid solutions and piecemeal planning. The Agriculture Sector members are ready, and determined to achieve this goal for the mutual benefit of all.

APPENDICES

A - Summary of 1984 Position Paper Solutions

B - Commodity Development Questionnaire

Appendix A

SUMMARY OF 1984 POSITION PAPER SOLUTIONS

The Agricultural Sector of the Voluntary Planning Board has developed a number of solutions, addressing specific concerns within 18 topic areas, aimed at revitalizing the socio-economic viability of the industry as a whole, and the 'family' farm unit as a vital component of the industry.

The possible solutions are:

Topic 1 - The Family Farm (Page 29)

- Increase the farmer's share of the agri-food dollar so input costs may be covered;
- Support education of public on what farming entails;
- Determine 'optimum mix' of operations, outlining overall farm capabilities.

Topic 2 - Succession of the Farm Unit (Page 30)

- Greater opportunities in farm management education;
- Farmer-owners, particularly those in family operations, be educated on the advantages and/or disadvantages of incorporation;
- Seek possible concessions concerning the capital-gains tax.

Topic 3 - Security of the Farm Unit and Community (Page 31)

- Public and media education concerning farming environmental activities;
- Continued involvement of farm units in community activities;
- Proper and workable trespass laws; appropriate zoning to protect agricultural holdings; examine question of owner-operator liability.

Topic 4 - Food Philosophy in Canada (Page 33)

- Ensure all units of a commodity are used before allowing imports in that commodity;
- Examine possibility of import tariffs being linked to produce harvest seasons;
- Further development of marketing systems;
- Greater government, industry dialogue concerning import caused constraints.

Topic 5 - Farm Organizations (Page 36)

- Continued support of the various organizations;
- Encourage research and development of possible new roles;
- Educate public of benefits accruing to society and consumers from organizational activities;
- Continued support for leadership skills training;
- Encourage systems allowing the transmission of former leader's acquired knowledge and experience.

Topic 6 - Farm Management (Page 37)

- Increase farmers' share of market dollar, allowing them to continually develop good management techniques;
- Expanded curriculums to include new management techniques;
- Seek greater education and involvement in marketing;
- Seek possible tax incentives to ease costs involved in good management practices;
- Examine the possibility of developing a comprehensive management system involving the various commonalities in the industry; there is a perceived lack of conciseness in the current systems of management.

Topic 7 - Farmer Operated Business Organizations (Page 38)

- A continued support for cooperatives;
- Encourage greater investment opportunities in cooperatives, along with private sector ventures;
- Seek to expand export opportunities wherever feasible.

Topic 8 - Achievement of Greater Market Potential (Page 39)

- Ensure consistent, fair returns based on production figure costs, including farmer's labour and investment;
- Examine establishing minimum pricing at farm gate;
- Encourage and enhance promotion/advertisements of Nova Scotia produce;
- Encourage development of traditional and new markets within and out of the Province;
- Encourage development of regular, year-round distribution and sale of fresh produce;
- Encourage further development of existing and new producer controlled marketing systems;
- Encourage consumer education in food production costs;
- Strengthen consumer-farmer liaisons;
- Encourage stronger bargaining roles between farm organizations, commodity marketing boards, processors, wholesalers, and government.

Topic 9 - Land Use (Page 40)

- Development of a system which yields a greater accounting of available lands - a land bank information system (e.g., Land Resource Board);
- Greater enforcement of land use controls to protect current productive lands;
- Examine the possibility of 'land banking' through the land purchase/leasing policy;

- The encouragement of greater dialogue and the exchange of land-use activity information, amongst the major users of land;
- Encourage investments aimed at reducing soil erosion;
- Formerly productive land not used for several years should be taxed unless it is put back into production.

Topic 10 - Land Improvement, Future Use, Size, etc. (Page 42)

- Increased share of market dollar allowing farmer to manage farm operations for optimal returns and efficiency;
- Encourage and assist 'entering' farmers (where feasible) to aid in reducing land loss or speculation;
- Examine possible reinstatement of taxes on farm land which has not been used for several years to discourage speculation;
- Possibly develop a land banking system;
- Encourage efficiency in farm operations (where feasible);
- Encourage management fostering flexible farms that could use 'new' products as they arise;
- Encourage increased support for land development/improvement programs;
- Encourage policies directed at greater self-sufficiency in feed supply (e.g., Maritime Farmers' Council Feed Cost Equalization Proposal);
- Encourage further farmer involvement in marketing efforts;
- Encourage use of local supplies for farm needs (where feasible);
- Encourage stewardship of land base.

Topic 11 - Financing (Page 45)

- Assessment of loans to be related to land base and capital needs;
- Improve farmer's share of market dollar, decreasing reliance on private lending institutions;

- Hobby farmers should not be encouraged to apply for loans from Farm Loan Board;
- Subsidy of incomes by (a) transfers, so that farming activities can be planned first; or (b) transfers linked to production; or (c) some combination of direct and production linked transfers;
- Encourage the development of preferred rates at private lending institutions;
- Policy/program development aimed at assisting viable farm operations experiencing extreme negative conditions beyond their control;
- Encourage the development of standard, acceptable definitions of full, part-time, and hobby farms.

Topic 12 - **Grant Programs** (Page 49)

- Support linking of grants to the development of sustainable agriculture opportunities;
- Grants be linked to farm management plans;
- Develop greater support for the introduction of discretionary powers for the approval of grants; currently emphasis is primarily the compilation of a form;
- Grants for expansion to be linked with market development where needed.

Topic 13 - **Marketing and Promotion** (Page 51)

- Further provincial financial support for Marketing activities;
- Encourage individual and/or corporate efforts in marketing/promoting goods intra and inter-provincially, and out of country;
- Examine possibility of developing a central agency, inclusive of all commodity groups, to undertake generic promotions.

Abattoirs and Meat Inspection:

- Encourage consultation with producers before changes in legislation and/or regulations are brought in.

- Encourage regular examination/evaluation of the program to maintain standards and maintain creditability.

Topic 14 - Human Resource Development (Page 53)

- Encourage greater numbers of general awareness programs amongst young people, rural families, and the general public;
- Develop programs centered on the concept of 'pride of occupation';
- Encourage and strengthen courses involving new technology in farm management and production, to achieve national importance status;
- Expand and encourage opportunities to update present farmers through meetings, travel, and demonstration;
- Develop general awareness programs aimed at advising people on the future of farm careers as full-time employees;
- Develop programs which will improve leadership skills in order to meet ever-changing challenges;
- The encouragement of people to enter professional and technical staff positions in the numerous areas of the industry related to farming and in the services dealing with farming - e.g., scientists, lab technicians;
- Greater involvement of the media in the education process. This involves teaching media-related courses to agricultural students and teaching media personnel agriculturally-related material;
- Encourage other provinces to press for inclusion of farm occupations on the occupation of National Importance List.

Topic 15 - Extension Services (Page 56)

- Continued assistance in extension's current activities, such as 4-H, advice on new technology, assistance in financial planning;
- Encourage more informational meetings and practical demonstrations;

- Encourage greater involvement of men and women in programs such as Young Farmer's Conference, Farm Women's Conference, and Farm Management Clubs.
- Encourage more courses in leadership skills;
- Participate in and offer upgrading courses in various aspects of the agri-business industry;
- The strengthening of advisory type programs and services which help young people gain equity in their operations;
- The need to develop opportunity awareness programs aimed at the young, current persons involved in the business, and the public in general;
- The need to develop and strengthen ties with the media industry;
- The maintenance of the 'family farm' as an importance and viable part of the agri-business industry (this concerns both extension services and the previous area human resources).

Topic 16 - Basic and Applied Research (Page 57)

- Development of greater exchange of information between research agencies (particularly nationally);
- Encourage the recognition that farmers can be important contributors; seek greater involvement;
- Encourage researchists to visit farms and speak with farmers; increase the dialogue between the groups during research phase not after a project has been completed;
- Possible development of central collecting, coordinating, and disseminating agency, including the position of a researcher/coordinator;
- Encourage and increase personnel involved with research that would develop positions related to total systems and sustainable agriculture;
- Encourage that research priorities be set by researchers, producers, and marketers;
- Greater efforts in producing 'farm innovate demonstration', including the provision for additional funds.

Topic 17 - Energy (Page 58)

- Encourage government to increase support of industry appropriate alternative fuel research;
- Seek increased subsidies on traditional fuels in the event of higher prices;
- Encourage the elimination of the 9% Federal Excise Tax (as in the fisheries);
- Encourage the development and use of energy efficient systems of production;
- Support continued information exchanges amongst farmers currently using and developing more energy efficient systems;

Topic 18 - Transportation (Page 60)

Feed Freight Assistance Act (FFA)

- Further support for producer growing own feed;
- Further assistance to research for new strains of grain;
- Encourage the growing of feed grain as a cash crop;
- Restore FFA funding level;
- Encourage policies directed at greater self-sufficiency in feed supply (e.g., Maritime Farmers' Council Feed Cost Equalization Proposal).

Maritime Freight Rate Assistance and Atlantic Region Freight Assistance Act (MFRA/ARFAA)

- Increase subsidies to recover deteriorated portion of competitiveness;
- Realign commodities to aid those most in need.

Canadian Agreement of Vehicle Registration Act (CAVR)

- Examine possibility of deregulation of carriers (as in U.S.);
- Extend exemptions to all agricultural/horticultural producers transporting own goods;

- Clarify administrative forms;
- Develop regional offices where CAVR inquiries may be addressed;
- Assist development of better cold storage facilities to ease timing in transportation schedules.

Appendix B

COMMODITY DEVELOPMENT QUESTIONNAIRE

1. With specific reference to the 18 Topic Areas in Section IV (page 29) of the Position Paper, please list any concensus or solution which may be pertinent or relate to your commodity.

2. (a) In general terms, how does your commodity group perceive its potential for expansion and development in domestic and/or export markets if relevant? Please include the basis for your perceptions.

2. (b) State, as accurately as possible, the commodity's desired economic position by the year 2000, and why?

3. Please identify your commodity's objectives, and the perceived constraints to achieving its desired economic position for the immediate (5 years), short-term (10 years), and long-term (15 years) time frames?

Objectives to Achieve Desired Economic Position	Constraints
5 Years (Immediate)	
10 Years (Short-term)	
15 Years (Long-term)	